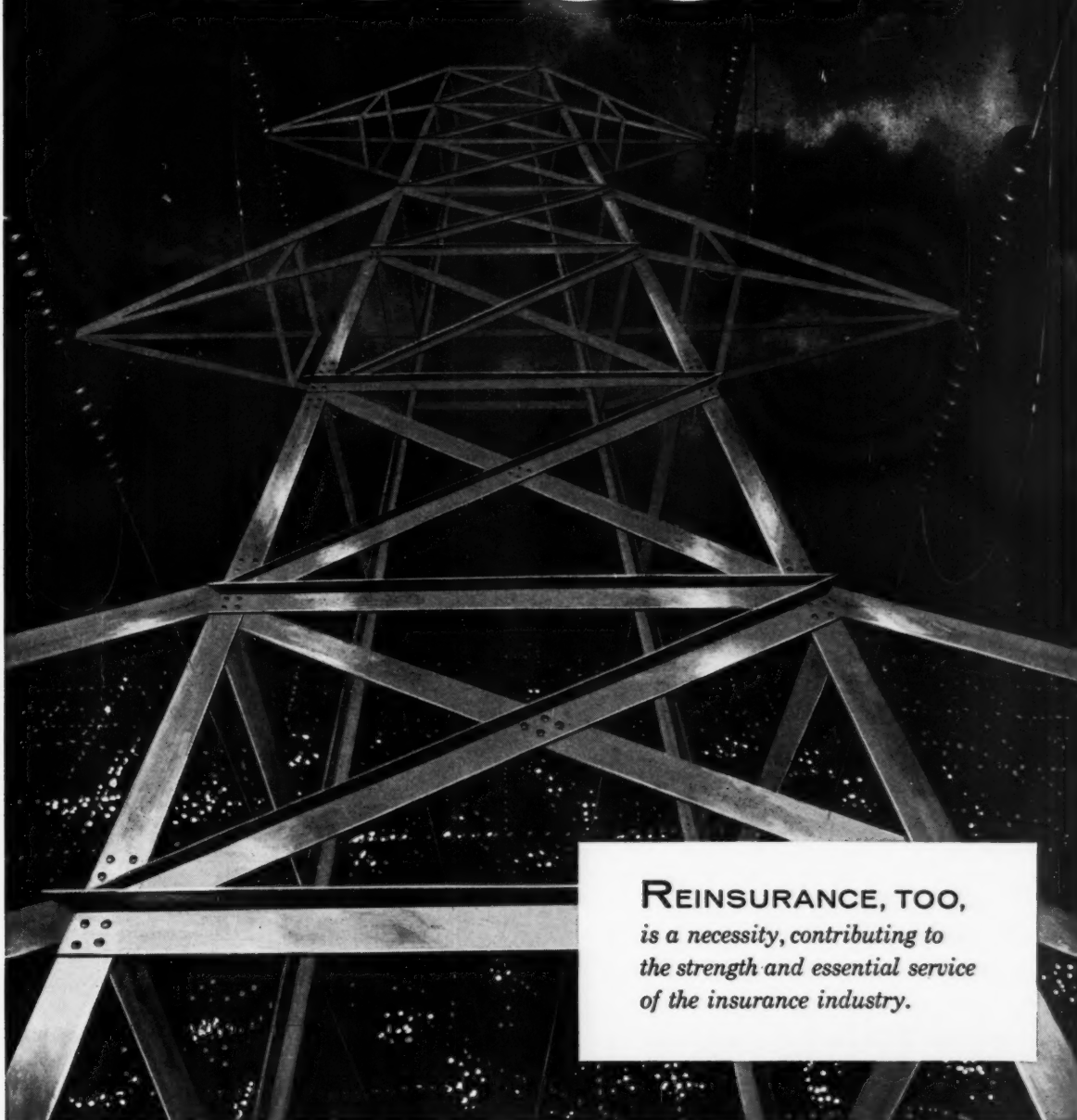


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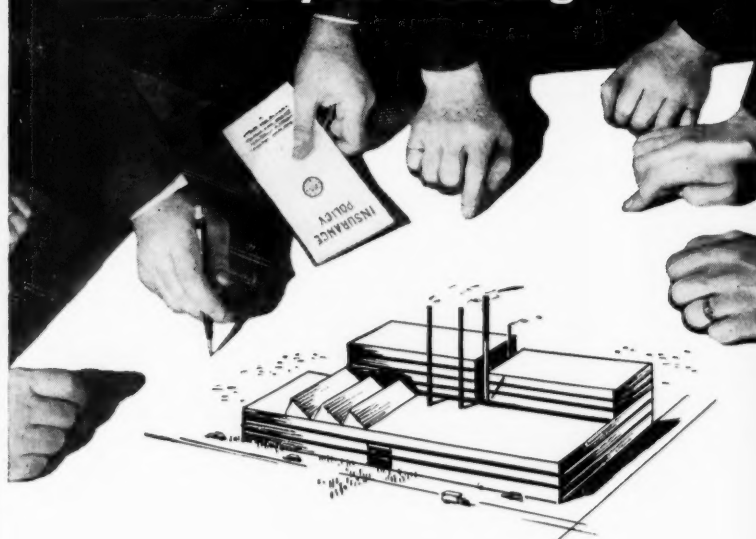
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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 41
October 13, 1955

Benson Says FCIC Should Quit When Insurers Move In

Tells Mutual Meeting Government Only Doing What Companies Wouldn't

ST. LOUIS—Whenever private insurance enters the field of all-risk crop insurance and makes it generally available, the government should retire from this field, Ezra T. Benson, Secretary of Agriculture, declared in addressing the opening session of National Assn. of Mutual Insurance Companies here.

He made it plain that the government entered this field of protection through Federal Crop Insurance Corp. because private companies for many reasons were staying away from it.

He added that he understood the insurers are preparing to enter the all-risk field this next crop year on a limited, experimental basis. "We certainly wish them every success," he continued. "We have cooperated with them fully in making our experience and materials available. We will continue this cooperation." He assured the insurance men that the government is "trying to use your way—the insurance way—under which premiums paid for protection provide the money with which to pay the policyholders who suffer losses."

Mr. Benson said that in the period 1948-54 farm crop insurance premiums totaled \$128,600,000 earned, while \$136,100,000 was paid out in losses showing a net loss, apart from administrative costs, of approximately \$8 million over this seven-year period. He added that in 14 of the 794 counties in which crop insurance was written, losses have been so heavy that without them there would have been a reserve of about \$8 million instead of a deficit. More attention and discretion is being exercised with regard to risks insured.

"We are determined," Secretary Benson declared, "that farmers shall regard crop insurance as the same kind of operation as any other insurance and not as a farm program offering them protection without an adequate premium charge to cover the protection provided. As you might well expect, our strengthening of the rate structure has not tended to stimulate government business.

"Another very important policy change which it was necessary for us to make involves the period during which we will sell insurance. In the past, a closing date for sales was established and regardless of how much the risk increased prior to planting time, business continued to be accepted. The result was that millions of dollars were paid out to farmers who, when they signed for the insurance, were confident that they would collect an indemnity. Now, when risk conditions in a county or area rise above normal, sales are stopped. You can't

(CONTINUED ON PAGE 39)

Discuss A&H Ad Code at Chicago, May Be Ready in December

Discussion of the proposed A&H advertising code occupied representatives of the A&H business and National Assn. of Insurance Commissioners all day Tuesday at Chicago and succeeded in ironing out divergent viewpoints sufficiently to encourage hope that there will be something that the NAIC executive committee can act upon when it meets early in December.

The NAIC subcommittee handling the situation is headed by Pansing of Nebraska, who presided at the joint conference. Surprisingly little controversy developed. In fact, the handling of advertising of non-cancellable A&H was the only topic that developed any substantial difference of viewpoint.

The proposed code was worked up by a subcommittee of which President Paul Watt of Washington National is chairman. The aim is to get it in shape so it will represent the united views of the business and the NAIC, after which the federal trade commission staff would give its comments. Following that there would be a conference at which the A&H business, the NAIC and the FTC would be represented.

On the administration and enforcement side, the proposed code would have each company's board adopt the code by resolution. The code would be implemented in each state either by a special law or under a broader law providing for general supervision. Each company would have to retain its advertising material on hand for three years unless the regulatory authorities had cleared it sooner.

Postpone Meeting to Select New Alaska Commissioner

Alaska insurance commission has postponed until later in October the meeting at which the new territorial insurance commissioner will be chosen. Originally, the meeting had been set for the third week in September, but it was postponed because the Alaska attorney general indicated that the governor's original appointment of the insurance commission was valid. The commission which has been performing was appointed by the governor under the assumption that his first appointments were invalid since they were not acted upon by the last legislature. The original appointees submitted their resignations, but in recognition of the work done by the acting commission it is being reappointed.

Blue Cross-Shield Win on Reports

Three Blue Cross and Blue Shield plans have won top honors in the health insurance category in the annual survey of annual reports sponsored by *Financial World*, national weekly magazine. Associated Hospital Service of New York won the top award for the fourth consecutive year. Medical Service Assn. of Pennsylvania, a Blue Shield plan, was runner-up, and Intermountain Hospital Service of Utah placed third.

Court Denies Rate Bureau Appeal in North America Case

The U. S. Supreme Court this week dismissed the appeal of New York Fire Insurance Rating Organization in the North America case "for want of a substantial federal question." This was the case that started as a hearing by the New York insurance department and involved North America's partial withdrawal from the rating bureau in order to file independent dwelling rates 10% off and use NY-FIRO rates, town classes, etc., without permission or pay.

NYFRO appealed to the Supreme Court on the ground that construction given to section 184 (4) of the New York insurance law constituted a breach of the 14th amendment to the constitution.

The New York attorney general and North America filed motions to dismiss the appeal on ground that no substantial federal question is involved or to affirm the determination of the New York court of appeals.

American Ins. Assn. to Restudy Flood Damage Situation

American Insurance Assn. several weeks ago voted to appoint a committee to study floods and flood damage, Milton W. Mays of America Fore told National Board of State Directors during the Los Angeles convention of National Assn. of Insurance Agents. The committee was instructed to review the matter of floods and flood damage to determine objectively if there have been any changes in the basic considerations that led to the conclusions in the Insurance Executives Assn. report of 1952 in which NAIA concurred, he said.

In this connection it is expected that the engineering firm retained by IEA to study the engineering aspects of the problem of floods and flood damage will be requested by American Insurance Assn. to assist the business again on the technical phases of this might be peculiar to the recent floods. problem, particularly those which

While the AIA committee has no new facts that at the moment would lead to conclusions different from those stated in the 1952 study of floods and flood damage, the inquiry is considered to be of great importance, and it will be carried on with dispatch so that the findings will be available as promptly as possible.

The committee of AIA hopes that once again the companies and their agents can cooperate in reaching sound conclusions in this important matter and in presenting a united front against what appears to be an extremely grave threat to the business, he said.

The Charles E. Arant agency of Greenville, Tex., has moved to its own building at Wesley and Pickett streets.

Battles Elected V-P of NAIA; White to Executive Group

Dave R. McKown Renamed; Attendance Reaches 2,450 at Los Angeles

LOS ANGELES—Robert E. Battles of Los Angeles was elected vice-president of National Assn. of Insurance Agents at its closing session here. There had been, of course, no doubt about the elevation of Kenneth Ross of



M. V. V. White



Robert E. Battles

Arkansas City to the presidency. Morton V. V. White of Allentown, Pa., was elected by National Board of State Directors, of which he has been a member for Pennsylvania for several years, to the executive committee. The other new member is elected by the executive committee itself.

Dave R. McKown of Oklahoma City was renamed to the executive committee, to fill the 2-year unexpired term of Mr. Battles.

After several months with Great American and the Hartford group in San Francisco, Mr. Battles entered the agency field in 1936 with R. A. Rowan & Co. In 1947 he was named manager of the firm's insurance department. In 1952 he became a member of the executive committee, by appointment, and later was elected for a three year term. He is past president of Insurance Assn. of Los Angeles and of California association. His father, Eugene Battles, general manager of Rowan & Co., is a past president of California association.

Mr. White is past president of the Pennsylvania association and has been state national director for several years, and he has served as conference committee chairman of Eastern Agents Conference.

Mr. McKown started in the business as a life agent, entering the local agency field in 1939. He is past president of the Oklahoma association and was state national director for several years.

The convention here wound up with a banquet in the Hollywood Palladium. It marked the conclusion of the largest annual meeting NAIA has ever had. California proved a real attraction. Next year both big meetings are in the east, the midyear at Hartford

(CONTINUED ON PAGE 28)

UM Cover in N. Y. Attracts Attention in Other States

**Two Variations on Same
Theme at Two Prices
Disappoints Many**

NEW YORK—The offering of uninsured motorist coverage in this state is exerting a wide effect, as was expected. However, the offering of two variations in the coverage has proved disappointing to many in the business and, according to observers, is apt to make companies who have been reluctant to write the coverage even more reluctant, though it is hard to see how any insurer can refuse to write it, for competitive reasons. Some also feel that the two kinds of coverage will blunt the effect which was intended, to satisfy the demand for meeting the problem of the uninsured motorist without resorting to compulsion.

Promptly after announcement of the coverage in New York the Connecticut governor asked why it is not available in that state. Commissioner Spellacy replied that it was because the percentage of uninsured cars in his state is larger than in New York. About 25%, compared with about 7%. In Wisconsin, State Sen. Panzer indicated he would ask the insurance department to investigate the possibility of UM coverage in that state. There is expected to be agitation in other states

for the program and agents in other states have asked for it, but apparently no other state except New York even claims that as much as 90% of the auto population is liability insured.

Informal comments by leaders among insurers committed to the UM program in New York indicate that there is certainly no present intention of effecting the cover in a state with less than 90% of autos insured.

The coverage promulgated by Mutual Insurance Rating Bureau differs from that filed by Fidelity & Casualty in two major respects; insured is deemed not to have been negligent, and if insured and insurer cannot agree on the amount of damages insured is entitled to recover, the disagreement goes to appraisal.

The F.&C. endorsement provides that insured and insurer must determine whether insured is legally entitled to recover damages, and in case of disagreement resort to arbitration.

The language of the Mutual Bureau form is: "Provided, that for the purposes of this endorsement the accident causing such injury shall be deemed to have resulted from the negligence of such insured owner or operator without the negligence of the insured in any way contributing thereto and the amount of damages the insured is entitled to recover hereunder shall be fixed by agreement between the insured and the company or, if such agreement proves impossible, by appraisal."

The section on appraisal in the Mutual Bureau coverage follows substantially the appraisal clause in the fire contract, though the time allowed for a demand or appraisal is 180 days in-

(CONTINUED ON PAGE 39)

FIREMAN'S FUND MOVE

Initiates UM Cover Free in California; Costs \$4 After Nov. 1

SAN FRANCISCO—Effective Oct. 12, all California motorists insured by the companies of Fireman's Fund group automatically became eligible to receive payments for injuries caused by irresponsible, uninsured motorists.

Fireman's Fund is extending all current auto liability policies issued to individuals in the state to include "innocent victim automobile" coverage, to be offered without charge on all existing policies and on all renewals through Nov. 22. Continuation of the coverage will be at the option of the policyholder at renewal time at an annual charge of \$4.

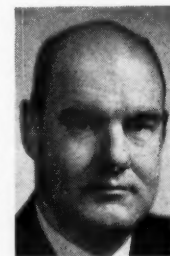
The contract may be written as an endorsement to auto liability policies carried by the company or as a separate policy. It includes coverage for unsatisfied judgments for bodily injury claims awarded in court actions, bodily injury claims resulting from hit-run accidents, and, in many cases, valid bodily injury claims without the expense of court action.

Payments provided by the coverage could run as high as \$10,000 for an entire family. Its single premium covers the named insured, spouse and minor children of either, all residing in the insured's home. The policy may be purchased by anyone with insurance in another company, anyone who has no insurance, or anyone who does not own an automobile. Coverage is effective when any insured person is hurt by another car (not owned or operated by the insured or family as defined in the contract) when driving or riding in his own car, a company or hired car, while hauling a trailer, or even when a pedestrian.

Distribution of Fire Prevention Material at Peak

**National Board Swamped
With Requests; Herd Says
Safety Awareness Growing**

NEW YORK—National Board's 1955 Fire Prevention Week campaign has resulted in an unprecedented distribution of material, indicating a wider acceptance of the observance than ever



J. Victor Herd

before. More than 13 million pieces of material had been sent out as of Oct. 9, opening day of the observance, including posters, safety check lists, educational booklets and fact sheets. J. Victor Herd, executive vice-president of America Fore group and president of the

National Board, expressed his gratification at the growing interest in Fire Prevention Week and commented that the "wide distribution of National Board material indicates a growing public awareness of the need for greater fire prevention and safety efforts in the community."

Some 7,500 orders for material had been filled up to the eve of the beginning of the observance.

Among the new features initiated this year were three illustrated stories dealing with fire prevention. National Board received some 700 requests for these feature stories from editors of industrial publications. There was also wide acceptance of them by employee publications in the insurance field.

In addition, news releases were sent to 500 leading daily newspapers throughout the country, augmented locally by special stories in the metropolitan press, news syndicates and through wire services. Fact sheets were also sent to 10,000 newspapers and all radio and TV stations.

More than 3 million copies of a revised pamphlet, "Your Fire Safe Home," and 6 million home fire safety check lists were distributed. In addition, 4,500 mats were sent out for use of newspapers and other publications.

A total of 450,000 of "Your Farm" (CONTINUED ON PAGE 37)

Correction on Standard Oil Insurance Placement

In reporting the manner of placement of the insurance of Standard Oil of Indiana, THE NATIONAL UNDERWRITER incorrectly said that Stewart, Smith placed all of the coverage in foreign companies. Actually, Stewart Smith's participation was limited to the placement of 8% of the business in Associated International Insurance Companies. Despard & Co. of New York were brokers for the entire line, and the foreign and Lloyds business other than that in Associated International Insurance Companies was placed by Despard and effected through Leslie, Godwin & Co., London brokers. Of the entire line, 46.45% was in foreign insurers and 53.55% in American companies. Leslie, Godwin & Co. put 27.7013% in Lloyds and 10.7487% in other foreign insurers.

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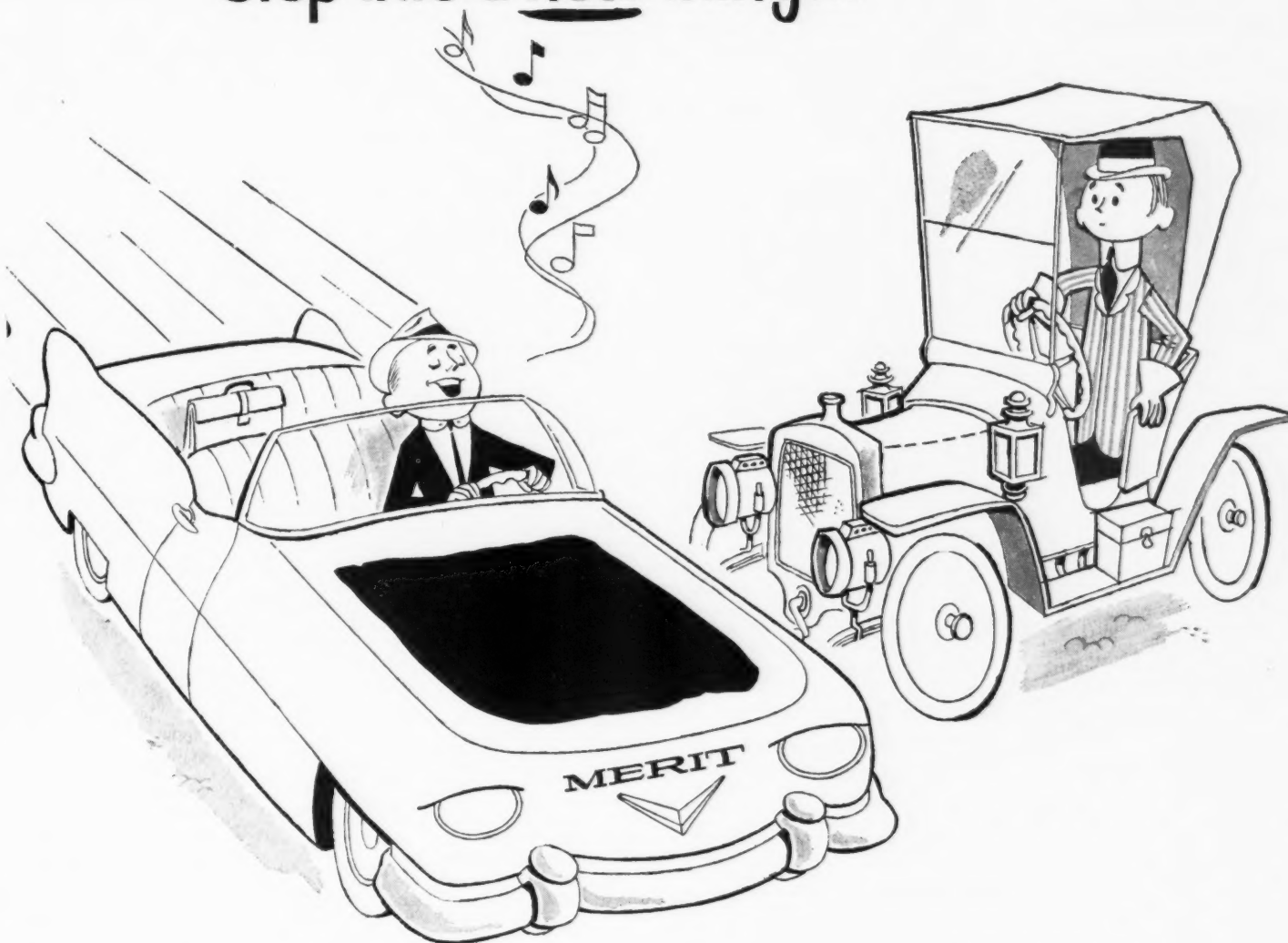
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For Brokers • Agents • Companies

Highlights of the Week's News

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Divergent aspects of FTC-A&H situation may hold up trade practices meeting...Page 5
A&H insurers may raise rates or withdraw from North Carolina...Page 22
J. A. Neumann says to keep guard up on economy auto plans...Page 23
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S. G. Behlmer named vice-president of Hartford Fire...Page 37
Insurance Economics Society holds annual meeting...Page 4
NAMIA program for Cincinnati meeting listed...Page 4
Fire and casualty stocks continue off with market...Page 39

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McCord to Helm of Economics Society; Succeeds Grahame

E. A. McCord, president of Illinois Mutual Casualty, was elected president of Insurance Economics Society at its annual meeting this week in Chicago. He succeeds Orville F. Grahame, vice-president and general counsel of Paul Revere Life.



Other officers are Theo. P. Beasley, Republic National Life, 1st vice-president; W. J. Hammrick, Gulf Life, 2nd vice-president, and H. O. Fishback Jr., Northern Life of Seattle, secretary.

Named to the executive committee were Jarvis Farley, Massachusetts Indemnity; E. J. Faulkner, Woodmen Accident & Life; J. E. Hellgren, Lumbermens Mutual Casualty; R. J. Wetterlund, Washington National; T. T. Wallace, Great American Reserve; E. W. Craig, National Life & Accident, and Mr. Grahame.

There are indications the administration may have an open mind in connection with the federal reinsurance proposal under the new Secretary of Health, Education and Welfare, Mr. Grahame stated in his report. Some time ago Mr. Grahame called upon those who favored the proposal to explain to the insurance business the help it would be. No one has accepted this invitation, he said, adding that Roswell Perkins, assistant secretary of the HEW department, wrote indicating the HEW department considered the suggested approach "very fair."

Mr. Grahame suggested the insurance business take its problems in Washington to the Department of Commerce, "which is not supposed to regulate us, or abolish us, or compete with us, but which is supposed to foster, promote and develop us. I am afraid that we have been taking too many cues from the Department of HEW and from the Treasury Department."

Mentioning there is now under con-

sideration the organization of a large A&H trade association and public relations program, Mr. Grahame said he believes that the economics society presently should be continued as now constituted. "It is clear to me that if such an association should take on private law making responsibilities, even without taking on the attributes of a vigilante committee, it will invite government regulation of its own activities which will have a direct bearing on the functioning of such organizations as this."

E. H. O'Connor, the managing director, reviewed 1955 legislative developments in the field of social security, particularly the proposed 1955 amendments. He reported the defeat during the past legislative season of 19 bills and one resolution in 11 states pertaining to various plans of compulsory sickness insurance. He emphasized that no state has adopted a compulsory sickness plan since 1949.

Considerable discussion developed on a program of broader activities for the society in meeting new problems arising in the field of social insurance. The society, which is rounding out 13 years of activity, has vigorously opposed compulsory health insurance proposals at both the state and federal levels. It has become a storehouse of information in the realm of federal and state insurance developments, helping the business put its best foot forward legislatively and in public relations activities.

Navarre Given Another Term as Commissioner

LANSING—Reappointment for another four-year term of Commissioner Joseph A. Navarre of Michigan was announced this week by Gov. Williams. The appointment is subject to state senate confirmation.

New Orleans Gets Fire Inspection

National Board inspectors are conducting a two week inspection of New Orleans to determine whether an increase in fire rates is necessary. At a previous inspection, city officials were warned that unless defects in the fire protection system the city would lose its class 3 rating.

The Pacific coast offices of New Hampshire group have been moved to the Equitable building in San Francisco.

Hour by Hour Program Given for NAMIA Convention in Cincinnati Oct. 17-19

The program for the annual convention of National Assn. of Mutual Insurance agents, Oct. 17-19, at the Netherland Plaza hotel in Cincinnati has been completed. The meetings begin Oct. 15 with special committee and executive committee meetings and registration. The hour by hour schedule follows:

Oct. 15, 3 p.m.—Meeting of the company-agents relations committee.

Oct. 16, 10 a.m.—Meeting of the advisory board and luncheon for presidents of state associations.

2 p.m.—Registration.

3 p.m.—Directors meeting.

state association secretaries.

6:30 p.m.—Dinner meeting of state association secretaries.

Oct. 17, 8 a.m.—General agents association breakfast.

9 a.m.—Registration and get-together, coffee served.

Noon—Luncheon with J. F. Montgomery of Jackson, Miss., association president, presiding. The Rev. Edward S. Moreland, Walnut Hills Christian church, will give the invocation; Gilbert Harsh of Minerva, president of the Ohio association, will greet the delegates; Superintendent Pryatel of the Ohio insurance department will speak briefly, and Dr. Tenyson Guyer, executive assistant and public relations man for Cooper Tire & Rubber Co., Findlay, O., will be the main luncheon speaker.

2 p.m.—W. C. Bein, special representative of Standard Register Co., will explain how fire and casualty agents can use IBM methods.

The annual business meeting with election of directors, report of committees and awards.

8:30 p.m.—Gay 90s party.

Oct. 18, 9:30 a.m.—Edwin S. Oberman, assistant dean of American Institute, will speak on professional education for better service.

10 a.m.—Panel on constructive thinking for better business, moderated by J. C. O'Connor, editor of the F.C.&S. Bulletins, with panelists C. E. Nail, president of Lumbermens Mutual of Mansfield, Fred Ludwig, president of Pennsylvania Lumbermens Mutual, Minott Rowe, president of Worcester Mutual Fire, Stannard L. Baker, president of Michigan Millers Mutual, John W. Gunn, chairman of Employers Mutual Casualty, B. G. Sager of Cleveland, Robert W. Putnam of Roanoke, Va., Hugh H. Murray Jr. of Raleigh, N. C., Harry E. Uhler of Baltimore and Tom Nuckles of Marysville, O.

2 p.m.—Dr. Curtis M. Elliott of the school of business administration of University of Nebraska will moderate a panel on better tools for better business with panelists T. L. Osborn Jr., vice-president of American Manu-

facturers Mutual, Everett Raabe of Central Mutual of Van Wert, O., Fred Greenwood, assistant secretary of Lumbermens Mutual of Mansfield, George Strickler of Millers Mutual Fire of Texas, and Gardner Fuller of Lumbermens Mutual Casualty of Chicago.

Oct. 19, 9:30 a.m.—A color sound movie "People, Products and Progress—1975" will be shown. This will be followed by 10 minute talks on patterns for success by John B. Read of Park Ridge, Ill., John C. Parsons of Syracuse, N. Y., A. H. Field of Hickory, N. C., John Keyser of Kalamazoo, and G. R. McKiever of Miami. Charles Cullen special sales speaker will discuss what it takes to make a champion.

2 p.m.—Conference on fire and accident prevention conducted by Roy R. Allsopp of Waynesboro, Pa., chairman of the fire and accident prevention committee of the association.



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Milwaukeeans at NAIA rally: R. C. Pittelkow, president Milwaukee board; Don Gottschalk, vice-president Milwaukee board.

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Divergent Aspects of FTC-A&H Situation May Hold Up Trade Practices Meeting

By HENRY HALLAM

WASHINGTON—Federal Trade Commissioner Mason's proposal that the commission, on its own motion, call a trade practice conference of the A&H business has raised some interesting possibilities. Members of the commission met twice last week.

No action was taken on the proposal, FTC Chairman Gwynne said, nor was it formally discussed. However, the commission did receive and discuss a complete report on the insurance situation before it, including the status of the 31 complaints it has issued against A&H companies charging them with falsely advertising their policies.

Mr. Gwynne did not confirm reports in insurance circles that there is opposition among the FTC commissioners to Mr. Mason's proposal. According to these reports, some FTC people do not like the idea of having a trade practice conference with business which has been, for the most part, apparently fighting commission attacks on A&H segments of the business with denial of its jurisdiction, etc.

Generally, trade practice conferences have been called by FTC of other businesses at the latter's requests. In the present situation, not only are individual respondent companies fighting FTC, except four that have agreed to consent orders against them, but some organizations of companies engaged in the A&H field oppose calling a trade practice conference.

Some others favor it, however, and A&H association organizations oppose it unless the state insurance commissioners are agreeable to having such a conference. State officials are proceeding along their own lines in dealing with A&H companies and their advertising. Still other companies favor a trade practice conference as a means of clearing the air and letting everyone ascertain where he stands with relations to fair practice rules to be promulgated by the FTC later on.

If outstanding FTC complaints against A&H companies are appealed to the courts, insurance observers believe a year or more must elapse before a decision can be had on a test case involving FTC jurisdiction.

On the other hand, procedures in connection with a trade practice conference and what follows might involve a delay of two or three years in obtaining definitive results. Considerable time would be required for notice, conference, testimony, arguments, briefs, consideration by the commission, its proposal of fair practice rules, more discussion, final promulgation of the rules, and to allow for a period of checking up on insurers to see whether the rules are being observed, and, finally, enforcement

measures by the commission. The latter, in turn, could involve formal complaint, hearing, arguments, issuance of a cease and desist order, followed by possible appeal to the courts.

Meanwhile, insurance representatives say that if a trade practice conference is called, insurance members entering it could still contest FTC

jurisdiction in proceedings for enforcing the rules that might be promulgated as an outgrowth of the conference.

From the FTC standpoint, if it dropped A&H complaints, or suspended them in order to hold a trade practice conference, it is believed FTC would be subject to criticism for such action when many companies are fighting its jurisdiction.

All in all, there are so many aspects and angles to the existing situation that FTC appears to be in no hurry in

reaching conclusions about holding a trade practices conference or continuing with its present crusade against alleged false advertisers in the A&H business.

Greater New York Insurance Brokers Assn. heard George I. Gross of Powers, Kaplan & Berger, New York city law firm, who discussed the future of the insurance broker, and Attorney Albert Hirst, who has been a close observer of the legal aspects of life insurance, wills, estates and taxes.

Agent
with
an
Army!



He's an agent of the Hartford Fire Insurance Company. His army? Hundreds of youngsters in local schools who, under his direction, are carrying on a war against fire . . . beginning during Fire Prevention Week and lasting throughout the school year. They're his Junior Fire Marshals!

In 1955, as in the past seven years, the Hartford's Junior Fire Marshal Campaign is being sponsored in thousands of communities by public spirited Hartford agents. Through their cooperation and that of local educational and fire fighting officials, over 3,000,000 boys and girls are, with the help of parents, taking effective fire prevention action where it really counts — in the home.

For their reward, these children will receive Junior Fire Marshal badges and helmets and they'll have the pleasure of earning beautiful Achievement Award Banners for their schools.

The Hartford agent earns even richer rewards. A great many young friends . . . professional satisfaction in a job well done . . . and the cheers of neighbors who can't help but be impressed by his conscientious efforts in the interest of the community!

Year in and year out you'll do well with the

Hartford



Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company

Citizens Insurance Company of New Jersey Hartford 15, Connecticut
Northwestern Fire and Marine Insurance Company
Twin City Fire Insurance Company Minneapolis 2, Minnesota



Mrs. Leslie Hackney of Bakersfield, Cal., and Mr. Hackney at NAIA in Los Angeles.



**"Have you tried
Worcester Mutual Vitamins
for an Underweight
Sales Program?"**

For a healthy and sustained sales growth there is nothing like consistent renewals from satisfied customers . . . and Worcester Mutual policyholders are satisfied with its 132 year record of returning 20% dividends on fire insurance premiums.

Worcester Mutual
FIRE INSURANCE COMPANY

Home Office: 49 Elm Street
Worcester, Massachusetts

★ We are looking for agents in:

Maine	Virginia
New Hampshire	North Carolina
Vermont	South Carolina
Massachusetts	Louisiana
Connecticut	New Mexico
Rhode Island	Texas
New York	Washington, D.C.
New Jersey	
Ohio	
Pennsylvania	



Established 1823

Massachusetts' Oldest Fire Insurance Company

N. Y. Brokers Urge End to Cancellable A&H; Follmann Disagrees

Voluntary adoption by insurers of standard A&H policies which would be non-cancellable after being in force five years is being urged by Greater New York Insurance Brokers' Assn. In a letter to J. F. Follmann Jr., general manager of Bureau of A.&H. Underwriters, the group stated that such a new standard policy would abolish the present cancellable type.

The brokers also called for an end to the system employed by most insurers of cancelling A&H policies mid-term when they desire to terminate a broker's or agent's account. They expressed complete dissatisfaction with the five day notice of cancellation period and recommended substitution of a 30-day period.

The letter declared that the brokers' experience indicates that the rate of cancellation of A&H policies falls sharply after they have been in force five years.

In recommending the change to non-can, the brokers suggested a slight loading of the premium to make up for the increased risk. Actually, the letter stated, most insurers would be able to retire from undesirable risks before the five year period elapses. It is scarcely believable that poor moral risks would escape the scrutiny of the underwriters after four renewals.

This program might accomplish, the brokers said, an end to the attack by newspapers and public officials against the A&H business and certainly it would remove one of the great inequities so far as the insuring public is concerned.

Cancellation of policies because an insurer does not desire to continue a broker's account often results in the deprivation of coverage to the public, the letter pointed out.

If a policy is cancelled and has to be rewritten by another insurer, insured would be subject to the same underwriting strictures he was for the original contract. He would have to complete two applications and medical statements during what would ordinarily be one policy year for the reason that the insurer did not like the quality or quantity of automobile or other casualty lines the broker or agent had

been submitting, the brokers argued. If during the year, insured's physical condition changes, he would not only be deprived of the coverage afforded him under the original policy but also, in all probability, be unable to obtain new coverage, all because the insurer did not like his agent or broker. The letter stated that the brokers cannot see how insurers, with any justice, can place this protection in jeopardy because of business reasons not related to the policyholder.

Answering the letter, which was signed by Claude Markel, chairman of the special A&H committee of the broker's organization, Mr. Follmann pointed out that the A&H business is giving consideration to the subject of cancellations. The bureau, too, has actively pursued the subject from all aspects since 1948, he said. A great many companies, without public announcement or without announcements to their agents, lest there might be resultant misunderstanding, are not cancelling the coverage because of deterioration in the health of the policyholder, he wrote.

Mr. Follmann said he doubted that making A&H non-cancellable after it had been in force five years would provide a solution to the cancellation problem. He also stated that he does not believe that such non-can insurance could be written at a "very slightly" loaded premium. Many people believe, he pointed out, that such a form of coverage would require an appreciably higher premium since such insurance would take on practically all the aspects of non-cancellable insurance.

He refrained from answering the specific point concerning the cancellation by the company when an agent ceases his affiliation with a company, and suggested that the brokers could find many persons eminently more qualified that he to speak on the point. It is his understanding, however, he wrote, that this point comes about primarily because of the agency system and its concept that the agent owns the business.

Vernon Companies to Move

Vernon Casualty and Vernon General early in November will move into a new home office at 2011 North Meridian street, Indianapolis, where they have leased a two-story brick and stone building with an option to buy.



we lean over backwards TO HELP WITH YOUR INSURANCE PROBLEMS

Here are some lines we can write for you:

GENERAL LIABILITY

WORKMENS COMPENSATION

FINANCIAL RESPONSIBILITY

HARD TO PLACE RISKS

TAXICABS

TRUCKS - BUSES

NON-STANDARD AUTOS

SURPLUS LINES

KURT HITKE & COMPANY, INC.

Managing General Agents Since 1926

175 W. JACKSON BLVD.
CHICAGO 4, ILL.

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1401 PEACHTREE ST., N. E.
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233 SANSOME ST.
SAN FRANCISCO 4, CALIF.

1535 WILSHIRE BLVD.
LOS ANGELES 17, CALIF.

P. O. BOX 8046
DALLAS 5, TEXAS

903 CENTRAL BANK BLDG.
DENVER 2, COLO.

7950 BISCAVENE BLVD.
MIAMI 38, FLA.

343 NO. CALVERT ST.
BALTIMORE 2, MD.

Agent Worth His Salt, Buyers Tell Crowd at NAIA Orange Juice Session

LOS ANGELES—The breakfast meeting the metropolitan and large lines agents' committee staged here during the convention of National Assn. of Insurance Agents was a popular feature and more than 250 attended. The program had been carefully prepared and the participants were corporation insurance managers, most of whom proved quite as skillful with appropriate jokes as they were with the theme of how the agent can help the buyer with his insurance problems, which year by year become larger and more complex.

Forest S. Pearson of Austin, a member of the NAIA committee, presided in the absence of Chairman Victor O. Schinnerer of Washington, D. C. J. T. Parrett of Carnation Co. started the discussion by pointing out that many small and medium sized businesses in recent years have grown to such an extent and so complicatedly that insurance has become a major overhead cost for them. A company that a few years ago operated at one location today may have warehouses over the country, or over the world. There are corporations with 4,000 to 5,000 motor vehicles; they may have employees in many states instead of one or two. Obviously there is real need for coordinating the insurance manager's activities, Mr. Parrett said.

The competent agent, he declared, has no need to fear dealing with the corporate insurance manager today.

Obviously the agent can't spend all his time, or check in every day, with the insurance manager; he cannot get into areas of confidential corporation information, Mr. Parrett said. The insurance manager is a necessity.

But, he added, the agent is his best friend.

If there were any point at which the agent could be eliminated, this corporate selling would be it, he said. But corporate insurance managers feel, almost without exception, that the agent has a sure place in the business. The insurance manager wants to keep him there.

Buyers hold agents in high regard, Mr. Parrett went on, and they owe agents a debt of gratitude for much of the progress that has taken place in the business. Insurance is slow to move, he noted; it has to be shoved. Much of the credit for bringing about improvements goes to the agents.

Harvey Humphrey of Title Ins. & Trust Co. of California, discussed the agent's function in helping train the young or part time insurance manager. Mr. Humphrey himself took on the insurance management responsibility of his firm, a part time activity, only two years ago, and said he needed a lot of help, quick. The insurance of his firm was placed through more than 100 agents for reciprocal and public relations reasons.

He said he received the help he needed, and promptly, from four or five key agents. Though his company still places business through many agents for PR and reciprocity reasons, the agents who provided the assistance he needed have benefitted with increased business.

One of the most useful pieces of help he got from agents was a summary of the firm's bond needs, coverages, and exposures, which, in the form of a chart, occupies one sheet of paper which Mr. Humphrey can take to a meeting of his insurance committee

for discussion purposes. This has proved so useful in so many ways that he now wants the same sort of presentation on other lines.

Among the other help provided by agents which Mr. Humphrey regards as quite valuable is advice to increase excess bond cover to \$5 million, reduce the deductible on valuable papers, increase auto liability limits from 300/

500 to 300/1 million, extend the time from 30 to 90 days on errors and omissions, develop credits, apprise him of new developments, etc.

One of the most helpful things an agent can do is to use non-technical language. If he does use such terms, he should be sure the insurance manager understands them. There are scores of insurance phrases which he will not or is not apt to understand, and if he is new at his work he will be too diffident to ask. This is a place where the agent can do an excellent public relations job

for himself and his business, Mr. Humphrey said.

W. F. Peterson of American Potash & Chemical Co. and president of the southern California chapter of National Insurance Buyers Assn. said the job of the agent with a corporate customer is to get acquainted with the business and to learn its hazards and exposures before making a survey.

Does the corporation sell locally or widely, use its own warehouses or public warehouses, and a great many

(CONTINUED ON PAGE 26)

THE GLENS FALLS HAS ALWAYS SUPPORTED

A Local Insurance Agent
Keeps His Fingers on the Pulse
of Your Insurance Problems



There is nothing worse than paying for the wrong kind of an insurance policy, except owning one of these misfits when you have a loss or claim. With hundreds of fire, marine, casualty and bond contracts on the market, it takes an expert to choose the policies best fitted to your needs and your pocketbook. That expert is a local insurance agent who at all times keeps his fingers on the pulse of your insurance problems.

Glens Falls Insurance Board

Daniel P. Shine
Cool Insuring Agency, Inc.

Carson-Duffy, Inc.

Proller Agency, Inc.

E. Leo Spain

W. Joseph McPhillips

Barber and Howe

Loomis Agency, Inc.

K. C. Abbott and Co., Inc.

Michael C. Linchan

John Derby

Van Dyke Insuring Agency

Elizabeth J. Cooney

Basil Durkee

The advice and services of these insurance agents are as close to you as your telephone.

THE AMERICAN AGENCY SYSTEM

In the interests of the American Agency System, mats of the newspaper advertisement shown are offered in two- and three-column sizes at cost — \$3.50 and \$5.00 respectively. The mats are arranged to accommodate the signature of an agent, local insurance board or association, and portray the place of the local agent in his community. Other advertisements in the series will be announced at later dates.

"Old and Tried" Organized 1849

Glens Falls

INSURANCE COMPANY

Glens Falls, N. Y.

To Casualty Insurance Companies and Reinsurance Brokers

We are casualty reinsurance underwriters and managers for this pool of companies:

The Northern Assurance Company Ltd.
Citizens Casualty Company of New York
American Home Assurance Company

We provide an admitted reinsurance service in which speed of operation and decision is paramount. Our underwriters have worked both with London companies and Lloyd's firms for periods aggregating 70 years. We invite your inquiries.

Agency Managers Ltd.

Ben D. Cooke — Managing Director

102 Maiden Lane • New York 5, N. Y.

Telephone: Dlgby 4-1752

Teletype: NY1-4082

We only underwrite and are not brokers . . .
but we do invite inquiries from brokers.

UNION
REINSURANCE COMPANY
OF ZURICH, SWITZERLAND
UNITED STATES BRANCH
MULTIPLE LINE REINSURERS

LOTHAR SUDEKUM
United States Manager

100 WILLIAM STREET
NEW YORK 38, NEW YORK

Telephone BOWling Green 9-5540

2 Units of Conference of Casualty Companies to Meet in Chicago

The accounting and statistical and office methods, procedures and personnel committees of Conference of Mutual Casualty Companies will meet Nov. 10-11 at the Conrad Hilton hotel, Chicago.

The accounting committee, under the chairmanship of G. S. Dennis of Shelby Mutual, and the office methods committee, under the chairmanship of Carter H. Grinstead of Beacon Mutual Indemnity, will hold joint meetings both mornings and individual sessions in the afternoons.

Topics and speakers for the morning session, Thursday, Nov. 10, are: "Taking a New Look at Our Job," Dr. Forrest H. Kirkpatrick, assistant to the president, Wheeling Steel Co., Wheeling, W. Va., and "Meaningful Management Reports," Irving J. Maurer, treasurer of Farmers Mutuals of Wisconsin.

Topics and speakers Friday morning are: "Tomorrow's Management," Guy Ferguson of Ferguson Personnel, Chicago, and "How To Profit Under Multiple Line Organization," Frank Lang of Frank Lang & Associates, Chicago.

Thursday afternoon topics and speakers for the accounting and statistical group are: "Internal Audits Control," D.B. King, Joseph Froggatt & Co., Detroit; "Evaluation of Current Loss Experience," John J. McGuire, accounting department manager of Meridian Mutual; "Basic Management Control Plan," E. L. Brandt, vice-president of Auto-Owners.

Thursday afternoon topics and speakers for office methods session are: "People Are Too Human," Thomas H. Dudgeon, communication manager of Nationwide Mutual; "Forms Design and Control," A. David Thomas, insurance division of Moore Business Forms, Chicago, and "The Univac 60 Computer," W. L. Sanford, vice-president, and William Seymour, tabulating services manager, both of Mutual Service Casualty.

Accounting and statistical session Friday afternoon includes: "Budgeting—Its Philosophy, Methods, Extent," William Hoch of Nationwide Mutual, and "Accountants' and Statisticians' Parts in Management," Dr. Arnold Schneider, head of business studies department, Western Michigan college.

An office methods committee clinic on personnel problems Friday afternoon includes: "Education and Training of Employees," Eugene C. Ecker, Home Mutual Casualty; "Incentive Plans for Office Personnel," John O. Miller of Farmers Mutual Auto; "What Can Be Done To Reduce Turnover in the Office?" Benjamin V. Hanthorne, Auto-Owners, and "What Responsibility Does the Personnel Manager Have to Management?" Darrell B. Southern of Employers Mutual Casualty.

So. Cal. CPCUs to Hear Attorney General Oct. 27

LOS ANGELES—Attorney General Brown of California will address the all-industry luncheon of Pacific chapter of CPCU Oct. 27. His subject will be "Insurance and Anti-trust Legislation." CPCU designations will be given to 11 southern Californians who recently passed the examination.

Wheat Coverage Sales Restricted by FCIC

WASHINGTON—Federal Crop Insurance Corp. has restricted durum wheat coverage sales on a limited basis

in the durum triangle of North Dakota and northeastern Montana. It plans to close such sales before they exceed the number of durum contracts in force in 1954. It estimated there may be 4,000 to 5,000 contracts in the 16 counties concerned.

FCIC increased the durum wheat premiums this year following heavy losses due to rust damage to crops in 1953 and 1954. The situation, however, has since improved as a result of the introduction of rust-resistant varieties of durum.

The Ray Hatch agency of Kokomo, Ind., has moved to a new quarters at 510 West Superior street.



FARM LIABILITY

*is important to
anyone owning or
operating a farm*

✓ Farmers have to answer to both the public and to their own employees for injuries resulting from farm operations. They also get many a claim for damage to property. Straying farm animals get their owners into trouble as well as getting themselves killed on the highways. The "Shelby" Farm policy provides multiple protection.

✓ Not all buyers of Farm Liability insurance live in the country. City dwelling clients who own a farm as an investment or as a hobby need liability protection just as much as your rural customers. You owe them both a chance to buy the insurance they need.

THE Shelby Mutual

INSURANCE COMPANY OF SHELBY, OHIO



**THE OLDEST INSURANCE
COMPANY IN THE WORLD**



55 FIFTH AVE., NEW YORK

Committee Suggests Procedure for Hospital Care for WC Patients

The medical and claims committee of New York Compensation Insurance Rating Board has adopted a resolution suggesting the procedure to be followed in paying for hospital care for workmen's compensation patients.

The resolution, copies of which were sent to self insurers and medical and claims departments of insurers, recognizes that the committee's action is not binding on any insurer and suggests that:

Upon receipt of a request from a hospital for authorization to charge a rate higher than the rate officially promulgated by the chairman of the WC board Oct. 1, 1954, such hospital should be advised that the insurer feels bound to pay only at such promulgated rate.

Any hospital bill for which an employer is legally liable should be paid in accordance with such promulgated fee schedule, and any balance should be withheld and appropriate steps taken to protest the excess charge, regardless of amount, by filing a form A-1H which protects the insurer's right to arbitrate such balance.

Previously, the board had taken issue with a resolution adopted last May by the executive committee of Hospital Assn. of New York State at a meeting with Greater New York Hospital Assn. which was to the effect that hospitals bill compensation insurers at their established or posted charges for care rendered to WC cases.

New York Compensation Insurance Rating Board contended that the resolution was inconsistent with an order promulgated Oct. 1, 1954, by Miss Mary Donlon, then WC board chairman, establishing a schedule of charges in all hospitals for the care of WC cases.

Brooklyn Hospital and Hospital Assn. of New York State sought to have the order and schedule declared invalid in New York county supreme court, and when the right of the chairman to make such an order and establish such charges was upheld, the petitioning hospital group appealed. The appeal is pending.

New Ill. Airkem Office

The smoke odor service division of Airkem has opened a new office in Champaign, Ill., under the management of William Delaplane. The office is at 1420 South Neil street.

Henning Joins Kaiser

Donald W. Henning has joined the insurance department of the Kaiser companies at the head office at Oakland, Cal. He has been a special agent for Phoenix of Hartford for six years. He received his CPCU designation at the national conferment in San Francisco Sept. 29.

Mountain Club Meets Oct. 24

Mountain Insurance Field Club will meet Oct. 24 at the Carpenter hotel, Manchester, N. H. Officers will be elected.

Norwalk Agents Name Bora

Norwalk Conn. Assn. of Insurance Agents has elected Douglas Bora president, Ralph DePanfilis vice-president, and E. Robert Zenke secretary-treasurer.

Rothberg Heads County Assn.

Union County (N. J.) Assn. of Insurance Agents has elected Edwin M. Rothberg of Plainfield president, Russell Bauer of Summit vice-presi-

dent, William Hebel of Linden treasurer, and Henry Gilbert of Westfield secretary.

Decision on Allstate's

Wash. Filing Due by Nov. 10

Commissioner Sullivan of Washington has until Nov. 10 to deliver his decision on the dwelling fire filing of Allstate. A closed hearing on the filing was conducted at Olympia Sept. 13, and on Sept. 27 Mr. Sullivan received the transcript and interested parties were permitted to file briefs within 10 days.

N.Y.C. Executive Is Being Sought in \$130,000 Shortage

Robert J. Morman, vice-president and a director of Lawyers' Mortgage & Title Co. of New York City, is being sought by police for questioning about a shortage of \$130,000 in the company's fund and the issuance of stock. Fireman's Fund Indemnity has the bond.

Mr. Morman, who bought into the company last May, has extensive real

estate business interests. He has been accused of diverting about \$60,000 of funds of New York Investors Mutual Group to his own use. Mr. Morman disappeared after failing to show up for an interview on the stock issue. A subsequent audit of the Lawyers' Mortgage & Title Co. revealed the shortage.

Warnsman agency of Kingston, Mass., headed by Edward C. Warnsman Jr., has purchased the Briggs Cushman agency there. The two will be consolidated.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Strictly for the birds

But burglars or robbers are birds you can't scare easily.

Not when your home or business is ripe for picking.

They'll feather their nests with your valuables . . . any hour, any day, any night.

There's only one sure way to protect yourself against financial loss from burglary and robbery.

That's adequate insurance . . . covering your cash, jewelry, merchandise,

important records and other valuables. See your Maryland agent or broker today.

Remember: because your Maryland agent knows his business,

it's good business for you to know him.

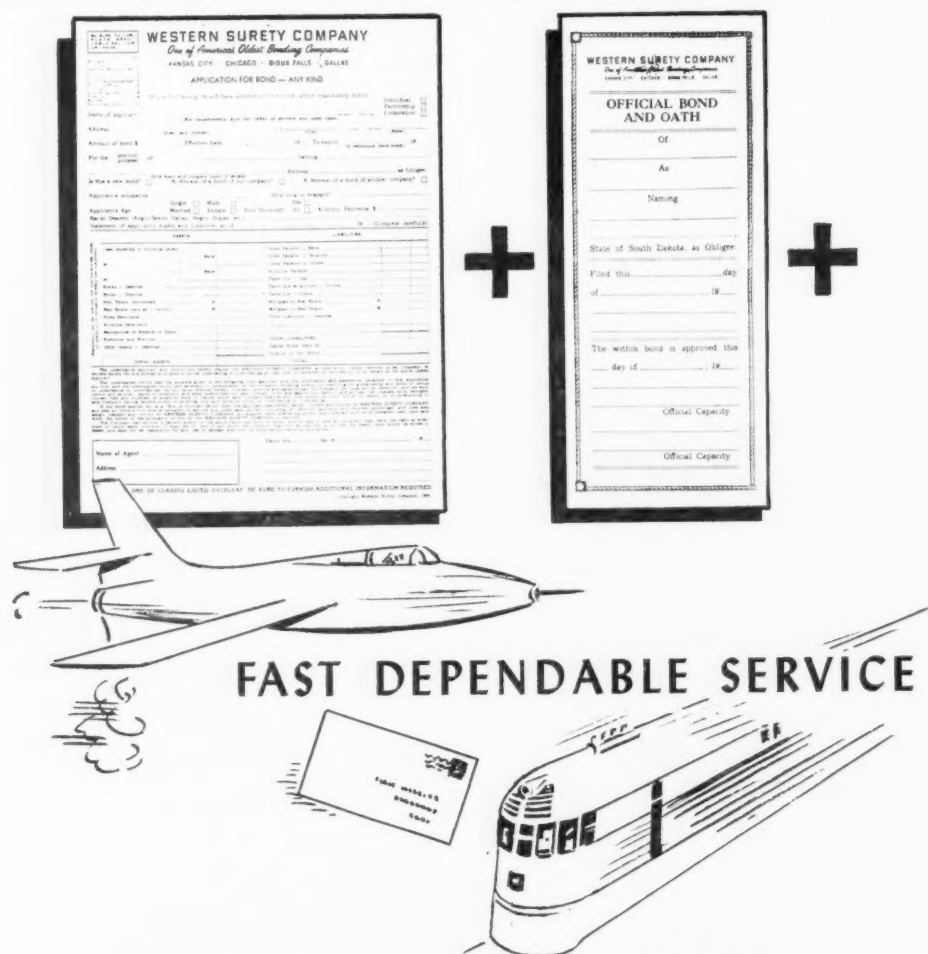
MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

Burglary Insurance is only one of many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Fidelity and Surety Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.

Another striking advertisement designed to help Maryland agents and brokers sell more Burglary Insurance.

FORMULA TO GREATER PROFITS



FAST DEPENDABLE SERVICE

**= AMERICA'S FINEST
BONDING COMPANY
WESTERN SURETY COMPANY**
One of America's Oldest Bonding Companies

39 South LaSalle Building
Chicago 3, Illinois

1714 Cedar Springs at Akard
Dallas 2, Texas

Sioux Falls
South Dakota

102 East 9th Street
Kansas City, 6, Mo.

**STATE OR
REGIONAL**

**GENERAL
AGENCY
CONTRACTS
AVAILABLE**

PREFERRED INSURANCE COMPANY

Independent Stock Insurer

Assets \$9,334,422

Policyholders' Surplus \$2,324,790

BROAD FORM AUTOMOBILE COVERAGES

MOBILE HOME INSURANCE

GENERAL CASUALTY LINES

FIRE

Licensed in 37 States and Hawaii

PREFERRED INSURANCE COMPANY

T. J. Bouwkamp, V. P. & Director of Agencies
Home Office

GRAND RAPIDS 1, MICHIGAN

Aetna Drivotrainer Called Successful in Los Angeles Tests

The use of a new classroom trainer that cuts the cost of teaching high school students how to drive has been termed successful by Claude L. Reeves, superintendent of Los Angeles schools.

"Results of scientific tests indicate that practically the same progress in driving skill and knowledge will be experienced by a student trained by either the experimental method, using the Aetna Drivotrainer plus three hours of on-the-road training, or the California state prescribed course," Mr. Reeves said in his report to the Los Angeles Board of Education. California's standard course calls for six hours on-the-road training.

The experiment was conducted at Hollywood high school, where 120 students were taught driving fundamentals on the classroom machine and then compared with a similar group which took the regular instructional program in standard automobiles.

The experiment is part of a nationwide research program sponsored by Aetna Casualty, which developed the Drivotrainer in an effort to meet the needs of schools for an effective, economical way of teaching youths to drive. Other studies are still in progress in New York City schools and at Iowa State Teachers college.

The Drivotrainer was introduced several years ago as a possible answer to the high cost of driver training and has attracted much interest among educators. A summary of the Los Angeles report is being sent to 5,000 school administrators to familiarize them with results of the research study.

The Drivotrainer enables up to 15 students to take behind-the-wheel training at the same time compared to the one pupil a teacher can instruct in a real car. It therefore substantially reduces the high teaching costs that have retarded the spread of driver training in the nation's schools.

The report said 480 students at Hollywood high school could be trained a year with the Drivotrainer at a 15% reduction in per pupil cost. With a larger unit designed to handle 900 students, the cost reduction would be 30% or a saving of nearly \$12,000 a year.

Mr. Reeves said the Drivotrainer would not only reduce instruction costs but would also "help meet teacher shortages, provide an added safety measure for beginning drivers and be most advantageous in standardizing teaching procedures and course content."

On two of four tests used to measure student performance at the beginning and end of the program, Drivotrainer students showed significantly greater improvement. On the other tests and on a road exam given at the end of the course, there was no significant difference in the Drivotrainer or on-the-road training groups. Driver attitudes, recognized as a major underlying cause of highway accidents, is one of two areas where Drivotrainer students made a better showing.

William J. Ahearn, executive vice-president of Great American Indemnity, and Frederick M. Eaton of Sherman & Sterling & Wright, New York City law firm, have been elected directors of Great American.

Sees Large Future for Commercial Block Form If It Is Properly Handled

LOS ANGELES—The rearrangement of coverages through package policies such as the commercial block generally will make better use of insurance investment by relieving business of some of its uninsured losses without materially increasing insurance costs—and the agent will be placed in the favorable position of not having to say "it isn't covered".

In this way W. D. Frampton, assistant secretary of Great American, summed up the impact of the commercial block policy in his discussion of it at the National Assn. of Insurance Agents' convention here. His talk was regarded by the audience as a competent and thorough treatment of the subject.

Patience and courage by producers and companies are imperative if the business is effectively to harness the great potential of this new contract, he warned. Great harm will be done to the business if present independent action continues unchecked.

Fortunately, he said, there is already evidence of sound thinking by the business and some insurance commissioners. In a recent ruling the Wyoming commissioner said:

"The problem of all risk or multiple risk type of policies for mercantile exposures is one to which this department has devoted much time and thought. We believe that this type of policy will, in the long run, give Wyoming merchants more insurance for their premiums and ultimately, we are confident, a lower total premium. There seems to be no question of the desirability of combining various property exposures into one package as the trend of the insurance industry has been in this direction for many years.

"We have withheld our approval of policies of the all risk type for commercial risks due to the many and varied approaches used by different companies and principally due to the difficulty the companies encounter in substantiating the rates presented for approval."

Such policies are desirable for insured. Rates presently have to be based on judgment though as soon as possible should be based on statistics, the ruling stated. The department okayed the cover subject to consideration of it as multiple line, it must be all risk though may exclude carelessness, dishonesty and like hazards, and 100% rates must include reasonable indivisible loading for all other hazards with loadings varying by type of occupancy.

The commercial property floater or block currently being offered in California is written all risk normally including fire, EC, water damage, burglary, theft and all other physical loss of a fortuitous nature which is not specifically excluded. Property covered includes stocks of merchandise and incidental fixtures and tenants' improvements for wholesalers or retailers while at locations in the U. S. and while property is in transit in and between U. S. and Canada.

The commercial block faces the future with several unanswered questions, Mr. Frampton said. Will use of the package philosophy prove profitable? How should the risk exposures be evaluated in pricing the

new product? What rate level is right to produce the broad sale so necessary to its success? Will companies lose money until their production lines are functioning at full capacity and how much can they stand to lose? How should companies integrate their internal operations and underwriting to handle the form? What rating organizations shall insurers use? How much of present rate structures, rating tech-

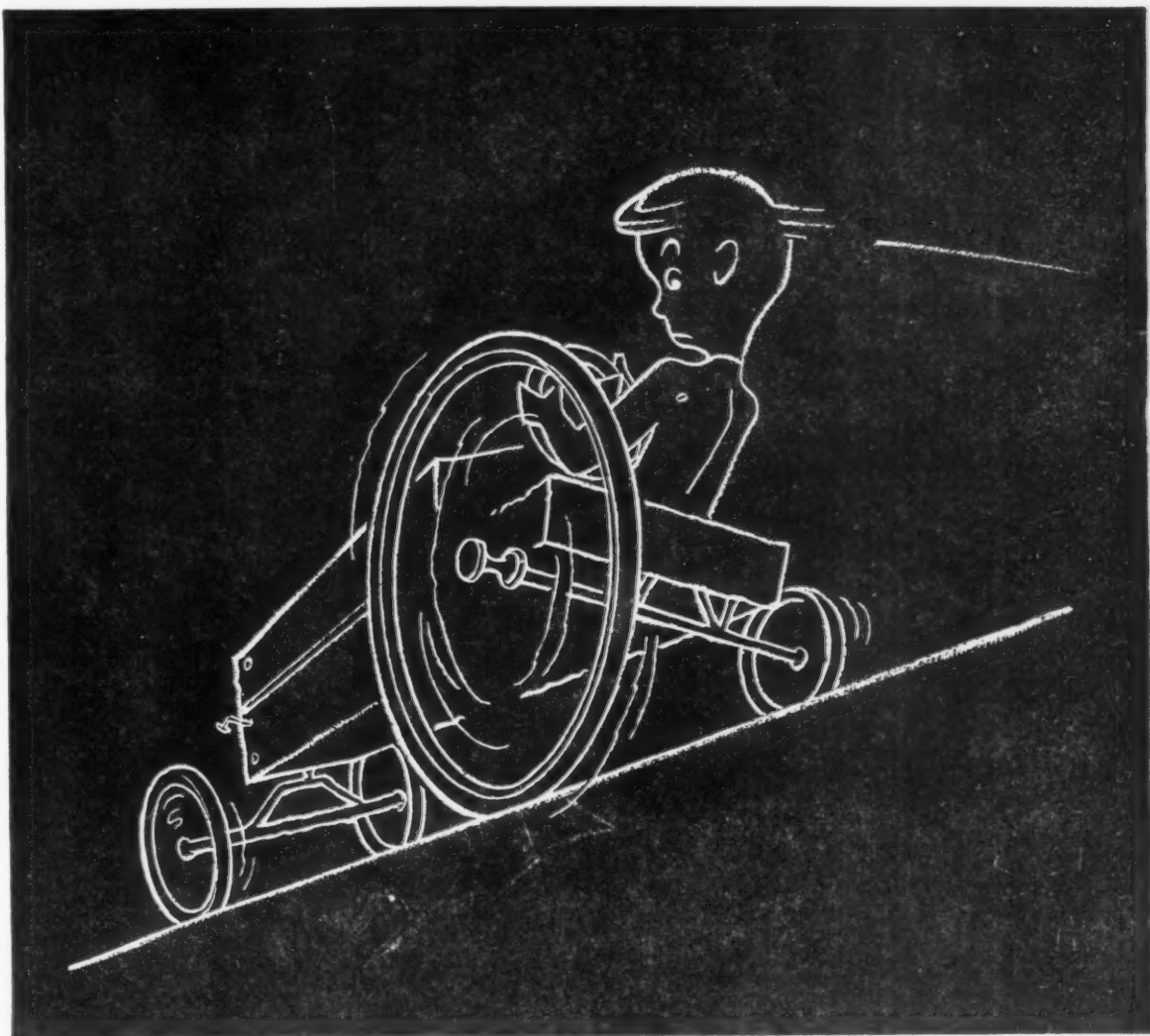
niques and rate levels are applicable to the block?

Many companies launched their block programs without the benefit of any research. They proceeded largely by "feel," often being guided more by equally uninformed competition than by their own logic, he said. Individual company markets have been for the most part operating in the dark. They had but little experience upon which to base their decisions.

Since California was the initial

testing ground, due to its unique rating law which does not require filings with the insurance department, study was started here about 18 months ago through committees of Pacific Board and later of Pacific Fire Rating Bureau. Both organizations expanded their research committees to include men with inland marine and casualty background. That study has proved to be probably the most difficult single committee assignment and the most exhaustive multiple line study in the history of the business,

(CONTINUED ON PAGE 27)



Something's not on the level here!

Young "Barney Oldfield" is tilting with trouble. Somebody gave him a *substitute* instead of a replacement for that broken wheel.

To protect your policyholder from trouble when he has a broken car window replaced, be sure he gets the same brand and quality of safety glass that's in his other windows . . . not a substitute. (For example: Safety Plate Glass should not be replaced with safety sheet glass.)

P.S. Send for a supply of handy forms for glass replacement orders. Ask for SG-40. Dept. 59105, Libbey-Owens-Ford Glass Company, 608 Madison Avenue, Toledo 3, Ohio.



LIBBEY-OWENS-FORD a Great Name in Glass

Program Ready for Independents' Rally at Chicago

The program for the annual convention of National Assn. of Independent Insurers has been completed. The meeting will be at Chicago Oct. 31-Nov. 2, and will be highlighted the first day by an address by Gov. Stratton of Illinois, who will be introduced by W. Russell Arrington, chairman of the Illinois senate insurance committee.

There will be a number of prominent speakers from outside the ranks of NAII, including Commissioner C. Lawrence Leggett of Missouri, president of National Assn. of Insurance Commissioners; Shelby Cullom Davis, head of Shelby Cullom Davis securities firm in New York; Superintendent Holz of New York; Paul J. Molnar, special assistant deputy New Jersey department; Allan L. Pither of Continental Casualty, and Ralph G. McCallum, general manager of National Assn. of Independent Insurance Adjusters.

Mr. Davis will give a talk on "The Place of Common Stocks in an Insurance Investment Portfolio" to open the session Nov. 1. That same day Mr. Holz and Mr. Molnar will discuss the problem of the uninsured motorist, Mr. Holz taking up the problems confronting administration in this respect, and Mr. Molnar, the New Jersey answer to the problem.

Mr. Pither's talk will be entitled "Insurance Lessons from South America," based on his experience in Brazil as manager at Rio de Janeiro for American Foreign Insurance Assn.

During the session on safety, the speakers will be Rear Adm. H. M. Miller, director of the President's action committee for traffic safety; Alex L. Haynes, executive engineer of Ford Motor Co., and Lt. Col. John P. Stapp of Holloman air force development center.

Charles W. Tye of Joseph Froggatt & Co., New York, will give a talk on "The New Federal Tax Law as it Affects Insurance Companies," and at the same session Don Whitehead, staff writer for the Associated Press, will discuss the Washington scene. Final speaker that day will be A. L. Kirk-

patrick, insurance department manager of the U. S. Chamber of Commerce, on "Shaping our Changing Economic and Social Environment."

Mr. McCallum's subject will be "Claims Cost Considerations."

Director McCarthy of Illinois is scheduled to give the address of welcome at the opening session, and the response will be delivered by Henry F. Schriker, former governor of Indiana and now president of Wabash Fire & Casualty. L. H. Grinstead, president of Beacon Mutual Indemnity and president of NAII, will give his report, as will Vestal Lemmon, NAII manager.

On the morning of Nov. 2, R. G. Jamieson, general manager of inter-insurance exchange of Detroit Auto Club, will lead a discussion on "Has Competition Made Present Rating Laws Obsolete?"

At the final session, the speakers will be G. C. McMillan of International Business Machines, on "Where the Fire and Casualty Insurance Industry Stands Today in Electronics"; Fenton A. S. Gentry, president of Southern Fire & Casualty, who will report as a national councillor of the U. S. Chamber of Commerce, and L. A.

Polk, secretary of Inland Mutual, on "Does the Automobile Policy and the BI Rate Intend Coverage for Personal Injury to the Insured?"

Hartford Fire Sends Rusher to Coast, Promotes N. Y. Men

Hartford Fire group has named William H. Rusher assistant manager of the Pacific coast department and Claude S. Nunn, who has been manager of the northern New Jersey service office at Newark, to succeed Mr. Rusher as metropolitan manager in New York City.

Henry E. Houghton, who has been in charge of production activities in the New York office, has been promoted to associate metropolitan manager, and Arthur R. Johnson, superintendent of the New York nationwide binding office and brokerage department, becomes assistant metropolitan manager.

Mr. Rusher joined Hartford Fire in 1934 and subsequently became special agent in the New York suburban territory and in upstate New York, manager of the service office at Washington, D.C., production manager and manager at Brooklyn and, in 1952, became metropolitan manager.

Mr. Nunn began his career with Hartford in 1930 as fire prevention and rating engineer and later became special agent in New York suburban and northern New Jersey and was manager of the northern New Jersey service office.

Mr. Houghton will continue to give particular attention to production as well as taking up other executive duties. He joined Hartford Fire in 1952.

Mr. Johnson will continue to supervise the nationwide binding office as well as take on additional responsibilities. He has been with the company in the binding office 38 years.

F.&D. Changes Field, Opens Tex. Office

Fidelity & Deposit has appointed James A. Evers manager of its Denver office to succeed Raymond O. McKenzie, who will soon receive a new assignment. The company has also opened a new service office in Lubbock, Tex., under the direction of Curtis D. Coxon.

The new office is an extension of the facilities of the Dallas branch. It will serve representatives in northwest Texas. Mr. Coxon has been with the Dallas branch.

Keith M. Harnish, who has been special agent at Los Angeles, has been named to succeed Mr. Evers as supervisor of the San Diego, Cal., service office.

Mr. Evers has been with Fidelity & Deposit seven years. Before going to San Diego in 1954, he was special agent at Los Angeles.

Hartford Accident on Cal. Bond

LOS ANGELES—Vinnell Co. and Vinnell Contractors of Alhambra, Cal., as joint venturers, have been awarded a contract by California department of public works at their price of \$4,040,782 for construction of part of the Golden Gate highway through Los Angeles and Glendale. Hartford Accident is the originating company on the bond.

Hannan Heads Danbury Agents

William J. Hannan has been elected president of Danbury (Conn.) Assn. of Insurance Agents. All other officers were reelected.

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Leggett Sees a Silver Lining:

U. S. Prodding Helps Solve Problems

The present insurance activities of various branches of the federal government can be good, even though the needs of the insuring public can best be served by continued supervision of the insurance industry by the several states without any intervention by the federal government, Insurance Superintendent Leggett of Missouri said at the annual meeting of American Life Convention in Chicago. Mr. Leggett is president of National Assn. of Insurance Commissioners.

"By putting the spotlight of publicity on some of the weak points in the industry and on its regulation by the states, the need of remedial action by the states is forcibly brought to the attention of those who can do something about it," he declared at the Wednesday general session.

"The responsibility for such remedial action does not rest upon any one individual or any one segment of industry. It is a problem which confronts us all, and one which I recommend to you for consideration at this meeting. Industry must cooperate with the state regulatory officials to perfect state supervision, and thereby retain it. We cannot afford to become complacent, and, simply because at one time supervision by the states appears to be adequate, relax. As indicated, insurance is dynamic, and there must be a constant reappraisal of the adequacy of state supervision in order to secure the type of supervision needed for the protection of the public, and still permit the industry to grow with the expanding economy of our nation."

Mr. Leggett recalled that always in the past, when the industry has been faced with similar crises, there has been "a wonderful degree of cooperation between it and the commissioners." That cooperation has always resulted in a successful withstanding of the pressures brought to bear, and in every instance the public is better off because of it, he said.

Mr. Leggett said the insurance business should look at the federal regulation problem strictly from the viewpoint of the insuring public's welfare, not as a matter of preserving the state's jurisdiction. An apparent advantage of federal over state regulation, he conceded, would be nationwide uniformity, but he wondered whether this would be an unmixed blessing.

"The history of insurance regulation in the United States has shown many attempts, through NAIC with industry's cooperation, to secure the passage of uniform laws in all of the states," he said. "Success there has not been total and there may be some reasons for such lack of success. Different areas have different problems which call for different solutions."

"As an illustration of this point we might consider the problem of licensing agents. Take for example the state of Florida, which enjoys a nationwide reputation as a wonderful place in which to retire. Agents from other parts of the country who have labored long in the business may find themselves in a position to retire to Florida to enjoy the fruits of their life-long labors. After a few months of just 'sitting and rocking' such an agent will probably feel the need to engage in a limited occupation. Since his life-work has been insurance, he would

naturally turn to insurance again. Certainly Florida should be permitted to put some restrictions on the granting of an agent's license to protect its residents from the competition so attracted to their state. The licensing restrictions there conceivably should be different from those in other parts of the country not facing a similar problem. Nationwide uniformity would

destroy the protection needed by the particular locality in such a case.

"While uniformity brings economies in certain areas such as printing costs, etc., uniformity for the mere sake of uniformity is not necessarily a good thing.

"A further question arises as to whether or not federal regulation would necessarily produce the uniformity desired. Many who are concerned with the problem of federal intervention in the insurance field are of the opinion that instead of such regulation resulting in a single law

to govern all jurisdictions, the industry would be forced to operate under a dual system of regulation—federal imposed on top of state regulation. If that is the case, then, instead of uniformity, the industry would be faced with operation under two separate systems of laws.

"Through continued efforts of the NAIC and industry, spurred on by this latest crisis, the need for uniformity can be defined, and, subject always to the will of the people as

(CONTINUED ON PAGE 33)

Are you fighting the clock ...and losing?

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LEXINGTON works for brokers who control all or part of an insurance account, or it acts as an insurance company's insurance company, or it works directly for an insured when circumstances justify.

LEXINGTON may write insurance applying in any state but it may not negotiate insurance *within* a state where it is not licensed to solicit.



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Convention Dates

Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.

Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.

Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.

Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.

Oct. 11-14, American Life Convention, annual, Edgewater Beach hotel, Chicago.

Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.

Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Biltmore hotel, Providence.

Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.

Oct. 17-19, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.

Oct. 17-19, Wisconsin Assn. of Insurance Agents, annual, Schroeder hotel, Milwaukee.

Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.

Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.

Oct. 23-25, Kansas Assn. of Insurance Agents, annual, Town House hotel, Kansas City, Kan.

Oct. 24-25, Tennessee Assn. of Insurance Agents, annual, Andrew Johnson hotel, Knoxville.

Oct. 25-26, Massachusetts Assn. of Insurance Agents, annual, Sheraton-Plaza, Boston.

Oct. 26, Connecticut Assn. of Insurance Agents, annual, Hotel Statler, Hartford.

Oct. 26-28, Insurance Accountants Assn., annual, Shoreham hotel, Washington, D. C.

Oct. 26-28, American Management Assn., insurance conference, Palmer House, Chicago.

Oct. 27-28, Nebraska Assn. of Insurance Agents, annual, Fontenelle hotel, Omaha.

Oct. 27-28, Pacific Fire Rating Bureau, annual, Camelback Inn, Phoenix.

Oct. 30-Nov. 1, Missouri Assn. of Insurance Agents, annual, Muehlbach hotel, Kansas City.

Oct. 31, National Assn. of Mutual Casualty Insurance Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31, National Assn. of Automotive Mutual Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31-Nov. 2, National Assn. of Independent Insurers, annual, Sherman hotel, Chicago.

Oct. 31-Nov. 2, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.

Nov. 2-3, Michigan Assn. of Mutual Insurance Agents, annual, Hotel Statler, Detroit.

Nov. 7, Fire Underwriters Assn. of the Mountain States, annual, Denver.

Nov. 14-16, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.

Nov. 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Des Moines.

Nov. 20-23, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.

Nov. 27-29, Illinois Assn. of Insurance Agents, annual, Edgewater Beach hotel, Chicago.

Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, mid-year, Hotel Commodore, New York City.

Dec. 14, Eastern Underwriters Assn., annual, Biltmore Hotel, New York City.
Feb. 17-18, New York State Assn. of Life Underwriters, Saratoga managerial conference.

Ok'd For Atomic Data

WASHINGTON—W. A. Alexander & Co. of Chicago has been given a limited permit by atomic energy commission so that it may have access to restricted data relating to civilian uses of atomic energy technology.

Moore and Saunders Form Agency

Dudley L. Moore and E. M. Saunders have formed the Dudley L. Moore-Saunders agency at Atlanta with branch offices in Birmingham, Ala., and Orlando, Fla.

Mr. Moore has had his own firm for five years. Mr. Saunders was formerly manager and chief underwriter for a southern company.

American Surety has moved its casualty and burglary, glass and inland marine departments, the loss prevention and payroll audit divisions to the second floor of its new building in East Orange, N. J.



You can serve your clients best when you are served best. This is especially true in Boiler and Machinery insurance — for in this highly technical line many specialized services are essential.

When you write Boiler and Machinery insurance with Hartford Steam Boiler you are assured of the services of specialists in each of these important phases:

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Lawyers Eye Some of the Significant Changes in Standard Auto Policy

John P. Faude, associate counsel of Aetna Casualty, and Dr. Roy C. Thomas, professor of law at Fordham University, made some interesting comments on the principal changes in the 1955 revision of the standard automobile policy, in papers presented at the insurance section of American Bar Assn. in Philadelphia.

Mr. Faude noted that the change in definition of insured has the effect of making certain that if a wife lends the family car to a neighbor, for example, both she and the neighbor would be covered as liability insured, though her husband were the owner and had never given general or specific permission to the borrowing. Here and throughout the policy, he said, the liability coverage is the same as though the policy had named both husband and wife as insured. As a result, the companies hope to be spared some of the requests to name both husband and

wife when the car is owned by only one of them—and at the same time avoid any further disparity between the coverage under a policy which named both and one which names only one of them.

In connection with the changes regarding newly acquired automobiles, Mr. Faude, commented that the broadened scope of the 1955 revision could produce a pitfall and narrowing of coverage in one situation. Assume a man insured his car with company A and his wife insured her car with company B. If either should buy an additional car, the broader new policy would boomerang, since the automatic coverage for additional cars is conditioned on one company insuring all automobiles owned by named insured and spouse. Such factual situations should be rare and can be avoided by not dividing the family's coverage between different insurers.

The application of "drive-other-cars" coverage to collision, he said, previously was available by endorsement at an additional premium, but the endorsement was not widely purchased. This was in part because of the subrogation practices as to collision coverage which was afforded an automobile owner. This was a "single interest" coverage which gave indemnity protection to the owner alone and did not include the interest of persons operating the car with the owner's consent. The collision insurer thus was free to assert subrogation against the negligent borrower who caused a collision loss. However, in practice, the collision insurers generally did not assert subrogation in the absence of available insurance effected by the borrower, and the coverage thus was administered as though it were "double."

(CONTINUED ON PAGE 30)

approvals Down to a Walk."

The 12-page, two-color booklet is a departure from the usual bureau publications. It contains a brief explanation of the operations of the bureau and its audit division. Headlines such as, "we're not sore at anybody" and "so you're behind the eight ball" liven up the section on nonapprovals.

"More than 2,300 items sent by agents clear through the division of audits each working day," the booklet says. "Our auditors do not make the rules. Their job is to direct your attention, and that of your companies, to clerical omissions, inaccuracies and necessary corrections."

"So accept nonapprovals for what they are and you will find that instead of putting you behind the 8-ball, they have helped you stay on the ball—something every agent must do to meet today's competition."

The booklet lists the most common types of errors found by the audit division in fire policies and reproduces a sample policy and installment payment endorsement showing "typical errors."

Walter Plangman, bureau manager, said the material is also organized to provide a discussion outline on "mechanics" of preparing the fire policy.

Arkansas Bureau Issues New Policy Writing Aid

Arkansas Inspection & Rating Bureau is distributing a new policywriting aid to agents entitled, "Slow Non-

Reinsurance transactions of United States insurance companies with insurers resident abroad, 1949-1954, by specified countries
(In millions of dollars)

	Net premiums paid on reinsurance ceded to abroad						Losses recovered from abroad on ceded reinsurance					
	1954	1953	1952	1951	1950	1949	1954	1953	1952	1951	1950	1949
All Areas	207.5	170.6	152.9	147.2	129.7	125.9	150.7	119.8	100.7	106.8	83.9	71.8
Western Europe, Total	202.4	165.4	148.6	143.4	126.5	123.6	147.0	115.6	97.2	103.5	81.3	70.4
Switzerland	16.9	17.4	15.3	12.6	6.5	8.2	13.7	13.9	11.3	6.7	5.8	8.6
United Kingdom	182.5	143.4	129.3	127.7	119.0	113.8	130.4	99.3	83.7	95.7	74.6	61.0
Other	3.0	4.6	4.0	3.1	1.0	1.6	2.9	2.4	2.2	1.1	.9	.8
Canada	2.1	2.2	2.0	2.2	1.7	1.3	2.3	2.5	2.5	2.7	2.1	.9
Latin American Republics ...	1.5	2.1	1.6	1.3	1.2	.7	.7	1.0	.6	.5	.3	.3
Other Countries	1.5	.9	.7	.3	.3	.3	.7	.7	.4	.1	.2	.2
	Net premiums received on reinsurance assumed from abroad						Losses paid to abroad on assumed reinsurance					
	1954	1953	1952	1951	1950	1949	1954	1953	1952	1951	1950	1949
All Areas	28.7	28.3	21.4	18.1	17.5	14.1	19.1	17.4	13.2	12.2	10.7	10.2
Western Europe	15.6	14.1	11.1	10.2	10.2	9.7	10.8	10.5	7.6	6.9	7.1	7.3
United Kingdom	12.0	10.8	8.4	8.1	8.0	7.8	8.2	7.8	6.0	5.3	5.9	6.6
Other	3.6	3.3	2.7	2.1	2.2	1.9	2.6	2.7	1.6	1.6	1.2	1.3
Canada	3.8	4.2	3.5	3.0	2.9	1.2	3.0	2.3	2.1	2.1	1.8	.6
Latin American Republics ...	6.3	7.3	3.7	3.4	3.0	2.1	3.9	2.8	1.9	2.2	1.3	1.0
Mexico	1.6	2.3	.9	1.2	1.0	.6	.8	.9	.8	1.3	.4	.2
Other	4.7	5.0	2.8	2.2	2.0	1.5	3.1	1.9	1.1	.9	.9	.8
Other Countries	3.0	2.7	3.1	1.5	1.4	1.1	1.4	1.8	1.6	1.0	.5	.7
Philippine Republic	1.5	1.2	1.2	.7	.7	.4	.7	1.0	.7	.4	.3	.3
Other	1.5	1.5	1.9	.8	.7	.7	.7	.8	.9	.6	.2	.4

Source: U. S. Department of Commerce: Office of Business Economics and Bureau of Foreign Commerce

Mich. Mutual Liability to Absorb Its Fire Running Mate Nov. 30

Associated General Fire, the affiliate of Michigan Mutual Liability, will be merged into its parent Nov. 30, and Michigan Mutual, which has been writing casualty only, will become a multiple line insurer.

Associated General was organized in 1940 as a participating stock fire company. All of its policies will be 100% reinsured by Michigan Mutual Liability.

N. Y. Querying Excess Foreign Placement

Excess lines brokers licensed under section 122 of the insurance law are now required by New York insurance department to submit additional information on their foreign placements by the execution of a supplemental affidavit on all risks placed by them. The affidavit went into use on business handled from Sept. 16.

The additional information is designed to make certain that excess

brokers are exhausting all possible avenues in domestic markets before resorting to foreign markets.

\$50 Deductible

The Providence office of U.S.F.&G. has asked the home office what to do about \$50 it has received in the mail with an anonymous note. The money was in cash and the message read, "too much hurricane money." The company received thousands of claims after Hurricane Carol last year. The \$50 is not expected to affect its loss ratio.

Schedule Course on WC Medicine

A course on the medical aspects of workmen's compensation designed for the claims supervisor and hearing man will be held Oct. 31-Nov. 4, at New York university-Bellevue Medical center in New York City under the auspices of American Academy of Compensation Medicine and New York university post graduate medical school.

The Stoddart-Smith general agency of Dallas has been appointed state agents in Texas for Argonaut Underwriters, which recently entered the state to write casualty and group hospital and medical.

Peacock Named to Succeed Inglehart at Agricultural

Agricultural group has named Vice-president George C. Peacock head of the production department succeeding the late George G. Inglehart. Wilson Lively, home office secretary, will be Mr. Peacock's assistant.

Paul B. Olinger, resident secretary at Chicago, will join the department as an assistant to supervise production activities in the midwest. He will continue his duties as manager of the Chicago service office.

Recover Loot Minutes After Bank Loss Is Paid

All but \$5 of the \$4,495 taken in the Oct. 3 holdup of the Mount Olive National Bank at Mount Olive, Ill., was recovered the following day a few minutes after the bank received a check covering the loss from Scarborough & Co. of Chicago.

The money was recovered by FBI agents from a public locker in a St. Louis department store after bank

officials received a long distance call telling them to have the store manager open box 27 to find the money.

The telephone call apparently came from the robber who staged the one-man holdup. In addition to the money, the locker contained a note saying, "God knows I'm sorry."

Atomic Risks Topic of N. Y. Brokers Meeting

A. B. Jackson, president of St. Paul F. & M., will speak on insurance problems relating to atomic energy projects at a dinner of General Insurance Brokers Assn. of New York City Oct. 25, at the Sheraton-Astor hotel. Mr. Jackson is one of the fire and casualty study group appointed by the atomic energy commission to review insurance problems brought on by industrial use of atomic energy.

J. Victor Herd, executive vice-president of America Fore group, and president of National Board, will be toastmaster. The association's 1955 gold medal award for meritorious service to insurance will be presented to Percy Chubb II, president of Federal. Mr. Chubb is also a member of the atomic energy study group and chairman of the atomic energy committee of American Insurance Assn.

Cut Michigan WC Rates Average of 3.9%

LANSING—Workmen's compensation rates in Michigan have been reduced an average of 3.9%. Commissioner Navarre said the decrease was accomplished despite liberalizations in the WC law enacted in the 1955 legislature which originally were expected to produce an over-all increase of about 2%.

Mail Solicitation for Auto Insurance Again Raises Ire of Commissioners

Automobile Owners Assn. and Automobile Owners Safety Ins. Co. of Kansas City again are provoking the ire of insurance commissioners in the midwest following a new mail solicitation in several states. The latest wrinkle is to advise prospects that a drawing will be held among new policyholders and the winners will receive prizes.

This development is bringing forth new statements by the commissioners that Automobile Owners Safety is not licensed in their states, and the public is advised that the department has no jurisdiction and cannot assist policyholders in their dealings with the company.

National Insurance Underwriters, aviation specialists, has moved its home office from 34 North Brentwood boulevard to 8030 Forsyth boulevard in Clayton, Mo.

New Hand-Books for Illinois, Chicago Ready

New Underwriters' Hand-Books for the state of Illinois and for the city of Chicago have been published by the National Underwriter Co. The Illinois Hand-Book provides complete and up-to-date information on the agencies, companies, brokers, field men, general agents, groups and other organizations affiliated with insurance throughout the state, except for Cook County. The Chicago Hand-Book gives similar data for Chicago. Copies of either may be obtained from the National Underwriter Co., 420 East Fourth street, Cincinnati. Price is \$12 each.

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Northwest Casualty and Northwestern Mutual Fire to Merge Dec. 31

Northwest Casualty Co., a subsidiary of Northwestern Mutual Fire Assn., will merge with the fire company effective Dec. 31.

The combined companies will be known as Northwestern Mutual Ins. Co.

Northwest Casualty was organized in 1928 to write automobile and casualty insurance since state laws at that time did not permit the writing of these coverages in a fire insurance company. Since then, multiple line legislation has been adopted nationwide and changing concepts of insurance have lessened the need for a separate casualty organization.

Northwestern Mutual Fire was incorporated under the laws of Washington in 1901 and authorized to transact the business of fire insurance. Since 1906 the company has operated on a non-assessable, full cash premium plan.

General F.&C. Opens New Fire Division

General Fire & Casualty has opened its new fire division and appointed Donald R. Sheldon manager. The company will write fire and allied lines and homeowners' package policies.

Initial efforts of the new division will be limited to New York and New Jersey but will shortly be expanded to other states.

Mr. Sheldon, who has been in fire insurance more than 20 years, was formerly with Crum & Forster.

Firemens of Newark Increases Dividend

Directors of Firemens of Newark have voted to increase its annual dividend from \$1.10 share to \$1.20 a share. This is the seventh consecutive year the common stock dividend has been increased.

Report LaSalle Casualty Sale Price as \$1 Million

American-Atlas Corp. of Dallas paid more than \$1 million for the controlling stock interest of LaSalle Casualty of Chicago, according to reports.

Joe A. Irwin, president of American-Atlas, will become president of LaSalle Casualty succeeding Seymour B. Orner. Mr. Orner will continue with the company for a short while, but he has not announced his plans for after that.

A. R. Bagwell, formerly with Bankers Life & Casualty, will be vice-president in charge of home office operations. Other officers will be Charles M. Hansen, executive vice-president, chief actuary of the Missouri department from 1934 to 1942 and more recently actuarial vice-president of Bankers Life & Casualty; Vena Irwin of Dallas, secretary-treasurer, and Charles B. Macdonell, sales vice-president.

Mr. Orner said LaSalle's assets at Sept. 30, 1955, exceeded \$1 million. Originally an auto and plate glass specialty insurer, LaSalle in recent years handled principally A&H and last year had premium income of about \$2 million. It was organized in 1927 as a mutual insurer and became a stock company in 1949 when Mr. Orner be-

came president and principal owner.

Theodore G. Gaines, formerly associated with Reserve of Chicago, and one of the principal stockholders of LaSalle, represented the sellers. Frank Cain of Dallas and Frank Csar of Chicago were the attorneys for the buyers.

Robbitts Goes with Stewart, Smith in N. Y.

David P. Robbitts, formerly fire claims manager of American Foreign Insurance Association, has joined Stewart, Smith & Co., as claims administrator, at New York City.

\$300,000 Hull Loss in United Airliner Crash Partially Self-Insured

The hull of the United Air Lines DC-4 that crashed into a mountain peak in Wyoming killing all 66 persons aboard was valued at \$300,000, with some \$20,000 self-insured and the remainder insured by London Lloyds through Stewart, Smith of New York. U. S. Aviation Underwriters had the liability coverage.

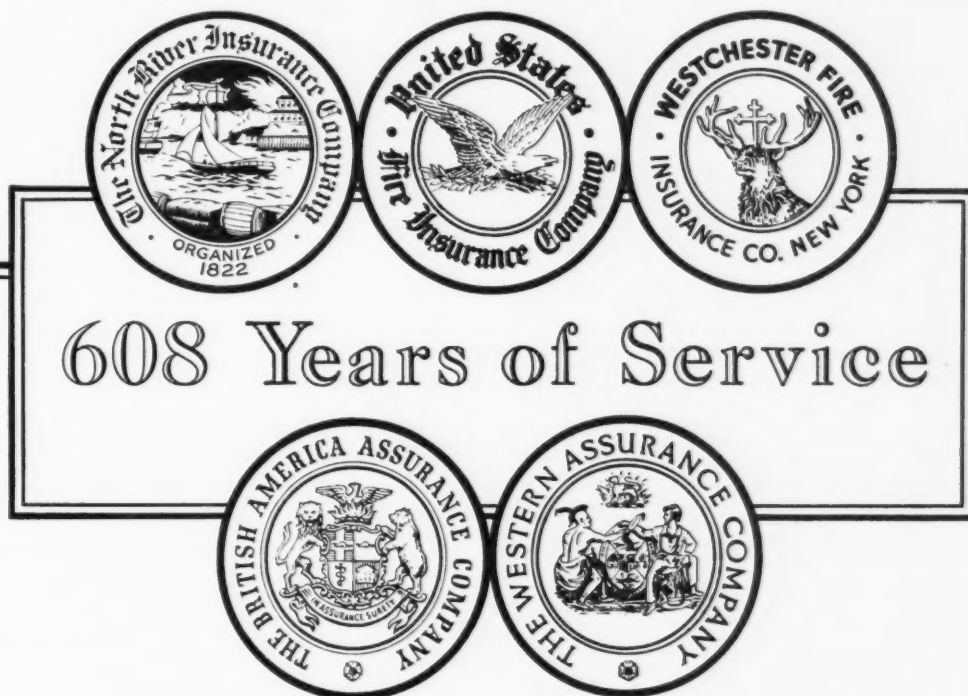
The accident, which occurred the

morning of Oct. 5, was the worst crash of a commercial airliner in U. S. aviation history. Three of the 66 dead were crew members.

Bostic Joins Hanover

Kenneth A. Bostic has been named manager of the casualty and surety claim department of Hanover and Fulton Fire.

American Title of Miami has been licensed in Washington and Seeley & Co. have been appointed general agents.



An imposing record

The Agents of these Companies share with us pride in the fact that five of the Companies under Crum & Forster management are now in their second century.

THE NORTH RIVER INSURANCE CO.	Organized 1822	133 Years
UNITED STATES FIRE INSURANCE CO.	Organized 1824	131 Years
THE BRITISH AMERICA ASSURANCE CO.	Incorporated 1833	122 Years
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	118 Years
THE WESTERN ASSURANCE COMPANY	Incorporated 1851	104 Years
		608 Years

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WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

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Stevedores Sue for \$1.5 Million WC Refund

Seventeen stevedore and steamship companies have filed an appeal to the appellate division of New York supreme court on their suit against New York Compensation Rating Board. They contend that the WC board used unusual procedures in setting WC rates in 1948 and overcharged them 30% more than the rates should have been. The refund they request would amount to about \$1.5 million.

Alfred A. Giardino, counsel for the stevedoring companies, argued in the appeal that the rates were discriminatory since the WC board did not use the experience of 1944 and 1945 in making the rates as it did for 700 other classifications in the state. Those years were good years for the stevedoring business, he said. Then, he asserted, the board reverted to regular practice in 1950 and the companies lost the two years of good experience.

The rates were approved by the insurance superintendent, S. A. Hershowitz, assistant attorney general for insurance, said, in spite of the fact they were not computed with the same methods used for other businesses. He asserted that the turbulence in the stevedoring business has added to the accident rate and the superintendent was legally correct in approving the higher rate.

Edwin D. Kyle, counsel for the WC board, contended that experience every year in the stevedoring business justifies a higher rate, and the board did not use 1944 and 1945 because they were war years.

The court still has the case under consideration.

Integrity Companies of Wis. Are Merged

APPLETON, WIS.—Integrity Mutual and Integrity Mutual Casualty have been merged, and the original name, Integrity Mutual, will be retained. Integrity Mutual was organized in 1933 as a fire insurer and Integrity Mutual Casualty started in 1948. The combined company will have assets of \$1,710,725 and surplus of \$646,979. The company intends to expand into other states and to take on additional lines.

Iowa Statisticians Assn. to Meet in Cedar Rapids

Iowa Assn. of Insurance Accountants & Statisticians will hold its first meeting of the 1955-56 year Oct. 19 at Montrose hotel, Cedar Rapids.

Speakers and their topics will be Richard Collins, chief of fire underwriting for Hawkeye-Industrial group, "Package Policies"; Joseph Tressler, assistant vice-president, agency division of Hawkeye-Industrial, "Big Bean or Little Bean," and Richard Doty, statistician for Farmers Mutual Hail of Iowa, "6-Month Continuous Auto Policies."

The day-long meeting will include a business meeting, social hour and dinner.

American Surety Names Johnston, Harris

American Surety has appointed Paul M. Johnston and Richard A. Harris special agents at Memphis and Sacramento, respectively.

Mr. Johnston started with American Surety in 1948 as an office superintendent and this year transferred to special agents' training. Mr. Harris joined the company in August. He will report through the San Francisco branch.

Peerless Casualty to Open at Philadelphia

John F. Hamilton has been appointed manager at Philadelphia for Peerless Casualty. This is a new office of Peerless that will be opened Oct. 15 in the Public Ledger building. At first, surety and burglary will be developed primarily, but later the office will expand to provide multiple line facilities.

Mr. Hamilton started in insurance in 1946 with Massachusetts Bonding at New York, becoming superintendent of the contract bond department. In 1951 he joined Manufacturers Casualty as assistant manager of home office bond department, two years later going to New York as manager.

Miss Anne Carroll, who has for 10 years been an underwriter in the fire department of Rockwood Co. agency of Chicago, has joined Lindquist-Burns Co. agency in charge of fire and marine underwriting. Before going with Rockwood, Miss Carroll was with Travelers in Chicago for four years.

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Bachman Appointed as Assistant to President of GAB

General Adjustment Bureau has appointed Roy G. Bachman, manager of its southeastern department, to the new position of assistant to the president with headquarters at the main office at New York.



R. G. Bachman

Mr. Bachman entered insurance in 1926, joined GAB in 1933 as assistant manager at Memphis and four years later went to Atlanta as a general adjuster. In 1938 he went to the main office and the following year was named assistant general manager. He was named to head the southeastern department in 1948.

\$110,000 Insured Loss on Long Island Dairy

A total of \$110,000 in coverage was carried on the Crestwood dairy at Lynbrook, Long Island, that was ravaged by a fire of unknown origin.

There is \$25,000 on machinery, \$25,000 on merchandise and \$60,000 on the building. More than 200 firemen fought the blaze, which raged for four hours.

Two Commercial Union Departments Hold an Open House at N. Y.

The ocean marine and New York City metropolitan departments of Commercial Union-Ocean group were hosts to about 500 visitors at an open house at their new offices in the recently constructed building at 156 William street. The offices had been at 123 William Street 29 years.

The two departments occupy about 32,000 square feet on the first, second and mezzanine floors in the sound-proof, air-conditioned structure. There are more than 150 employees in the departments. In addition to office space, there are a board room, cafeteria and a recreation room.

About 300 guests dined in the cafeteria during the open house. New York City Fire Commissioner Edward F. Cavanagh was guest of honor. John C. Ulreich is ocean marine manager and Harold Berggren assistant manager. V. C. Lock is metropolitan department manager, Peter Barr, deputy metropolitan manager and William Vredenburg, assistant manager. All operations of the group are under H. W. Miller, U. S. manager and general U. S. attorney, whose office is at 1 Park avenue.

New Travelers Office Is Opened at Phoenix

Travelers Companies have opened a new office in the First National Bank building, Phoenix, which is under the supervision of the Los Angeles office.

The staff of the new office includes Melvin W. Carles, assistant manager of casualty, fidelity and surety and fire and marine; Robert A. Guyer, district adjuster, claim department, and J. V. Quatrochi, resident engineer, engineering and loss control division.

German Buyers to Visit U. S. Insurance Offices

A group of insurance managers of German corporations will visit insurance companies in the United States on a two-week tour to obtain information

on American insurance from the point of view of the buyer.

The tour, sponsored by German Educational Travel Assn., is made up of managers from companies maintaining large truck fleets and one of their scheduled stops is Markel Service at Richmond, Va..

The educational association, a private non-profit organization for the promotion of commercial and cultural relations between Germany and other countries, sponsors the tours which are self-financed and do not involve subsidies from either U. S. or German governments.

To Vote on Stock Dividend, New Shares for Peerless Casualty

Stockholders of Peerless Casualty will vote Oct. 24 on a proposal to declare a stock dividend of 10% and to increase the authorized capital to one million shares.

The dividend would give one additional share to stockholders for each 10 now held, and would make the capital \$2,750,000 instead of the present \$2,500,000. Also, the stockholders will

vote on a proposal to establish a stock option plan for key employees, giving them a right to buy, with a maximum number of shares that may be optioned under the plan at 5% of the stock.

The company plans a 25-cent quarterly dividend on the new shares.

Service Fire has relocated its Syracuse claim office at 321 Erie boulevard.

Wendell L. Phelps, Milwaukee manager of Fire Insurance Rating Bureau of Wisconsin, spoke at a meeting of Insurance Women of Racine.

Don't wait until you've had a loss to ask...

"Am I Covered?"

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IF TROUBLE STRIKES, your insurance policy may be the only thing that stands between you and financial ruin. Now is the time to make certain that you are properly protected.

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FARM JOURNAL

EDITORIAL COMMENT

Why There Isn't More NAIA Debate

The convention of National Assn. of Insurance Agents just concluded in Los Angeles almost burst its seams, literally and figuratively, it was so full of people and program.

The fact that it was multifarious in both formal and informal activities, crowded in calendar and in lobby, indicates some of the reason for there not being more controversial and extendedly debated issues. There has been some criticism of the fact that there is not more debate. However, there wouldn't be time for it; there would be too much ground to cover inside a convention of 10 days, if any but the most significant subjects were put to minute and extended examination.

In a sense, the growth of the association reflects the growth in the business

and in the interest of agents in association treatment of their problems. The difficulty of getting so large a group under one roof (two were used here), a difficulty that requires setting convention dates years in advance, is analogous to the difficulties the program makers have in squeezing all of the matters that should or must be covered into the frame of a three day session.

The NAIA and its convention, like the insurance business and the American economy, have substantially expanded and grown more complex. The same calipers cannot be used today that were used 10 years ago to measure the business, any more than the same ones can be used to measure the pace that must be maintained at the NAIA annual meeting of these years.

The Value of Town Inspections

The report of Western Actuarial Bureau, issued early this month, brings to attention a phase of insurance public relations that undoubtedly receives too small a share of credit for the amount of impact it has. We refer, of course, to town inspections, which offer an unusual form of service to the insured—and in many cases produce as good a reaction as anything except the prompt, friendly payment of a claim.

We have been told by field men that they believe town inspections do more good for the business than any other form of public relations activities they perform. It is easy to understand this, because most other efforts are not so direct in their dealing with the public. But at the same time it is not easy to get field men to admit that it is beneficial to spend time away from production. They have to be shown, so if the man who has to tag around town after a couple of boy scout volunteers says this is a good thing for the business, the argument for town inspections is strong, indeed.

Store owners whose places of business are inspected frequently do not hesitate to say they appreciate learning of the hazards they had overlooked. There is no resounding vote of thanks, certainly, but experience has shown how to get the most response out of a town inspection. In recent years they have become community projects. Usually the local agents get the ball rolling, incidentally getting the credit for sponsoring the inspection. When the af-

fair is handled correctly, there is advance publicity in the newspapers, and one or more civic organizations take part. It is surprising how willing newspapers are to print a story about how 50 or 60 insurance company representatives are going to spend a day looking for fire hazards.

The difference between advertising and town inspections is action. The advertisement tells what the companies can and will do, but the town inspection demonstrates at first hand there is more to a fire policy than a sheet of paper.

Town inspections used to be confined to the midwest, but in recent years the idea has caught on in the rest of the country. Field clubs in Texas, for example, have been enthusiastic about them. As a practical showing of company service, the town inspection is in the front.

One of the appeals of the town inspection is that it has no gimmicks. The risk being inspected doesn't have to be insured at all, much less in one of the companies represented by the inspectors. The idea is not to sell insurance but to uncover fire hazards and suggest ways of eliminating them. It is strictly a service. The possibility always exists that a property owner, caused to think about his loss potential, will consider more insurance, with the chance that he will be favorably inclined to the type of insurance that started the chain reaction.

Fire Prevention Week, now reaching its climax, has the support of all the

business, and it throws into focus the need for caution. The lesson of Fire Prevention Week is, however, that one week of the year can only highlight the need for constant vigilance, and someone has to carry the load for 51 additional weeks. At the small town level, the agents and field men do it, and nothing brings it closer to home than town inspections.

PERSONALS

James S. Kemper, chairman of Lumbermen's Mutual Casualty, was awarded a plaque and was made a life member of International Assn. of Chiefs of Police during the annual meeting of that organization at Philadelphia. A resolution accompanying the plaque commended Mr. Kemper for his grants to Northwestern University Traffic Institute, and for establishing the Kemper Foundation for Traffic Safety in 1936, which has awarded more than 400 fellowships and scholarships to police officers to attend the institute.

Peter A. Burke, managing director and secretary of National Insurance Buyers Assn., who recently underwent a minor operation, has returned to work at his office at the Martinique hotel, New York City.

William J. Davey, 36, newly-appointed Indiana insurance commissioner, joined the department as an examiner in 1947 after graduation from Butler university where he majored in insurance and accounting. For the past two years he has been chief examiner for the department. Mr. Davey is a native of Indiana and lives in Indianapolis.



William J. Davey

Frank T. Priest of Dulaney, Johnston & Priest, Wichita agency, has been named chairman of the insurance section for National Bible Week, Oct. 17-23, sponsored by Laymen's National Committee.

Mrs. Robert B. Stitt, wife of a Chicago agent who represents Springfield F.&M. group, won an oil painting of the company trademark, "The Covered Wagon," in a drawing at the NAIA convention at Los Angeles. Mrs. Stitt's name was drawn from a list of guests at Springfield's convention headquarters.

John R. Cooney, president of Firemen's of Newark, was honored at a dinner at Newark in honor of his 21st anniversary as president and 41st as

an employee. Albert R. Jube, chairman of the executive and finance committee, presented Mr. Cooney a gift on behalf of the officers and directors. William B. Rearden, executive vice-president, was toastmaster. The affair was attended by 85 persons including board members and officers, some of whom were from the Chicago, San Francisco and Dallas departmental offices and from several branch offices.

A. N. Christian of Stewart, Smith, New York City, has returned from London where he spent three weeks visiting London Lloyds and British insurers.

DEATHS

NELSE HANSEN, 76, who retired in 1954 after operating an agency in Des Moines for 26 years, died at his home. The agency, Hansen-Murray & Mugg, was founded by Mr. Hansen in 1928.

GEORGE R. HESS, who had been in the insurance business in Chicago for more than 50 years, died suddenly at St. Joseph's hospital in Joliet, following a short illness. He was a general agent for several mutual companies early in his career and was employed in the western department of the Aetna a few years ago. He operated as a general insurance broker and was active up to a short time before his death.

WILLARD J. WHITE, 54, Milwaukee agent, died at his home of a heart attack. He was with Royal before joining his late father's agency, Courtenay & White.

JAMES J. MEADOR, retired vice-president of U.S. Casualty, died at his home in Brooklyn, N.Y., after a long illness. He joined the company in 1903 and rose to become assistant to President Edson Lott. He retired in 1942. A son, William H. Meador, is with Charles Bussing, Inc., New York City brokerage firm.

A. C. THOMAS, 63, local agent at Columbus, O., died of a heart attack at his home there.

EDWIN M. WILEY, 62, superintendent of the commercial division of the fidelity bond department of Aetna Casualty for 40 years, died in a hospital at Damariscotta, Me.

WILLIAM A. KEMPER, 74, pioneer local agent at Butte, Mont., died. He started his insurance business in 1908.

O. F. GROVER, 80, retired southwestern manager of America Fore, died at Dallas. He opened the southwestern office in 1928, and retired in 1940.

Mr. Grover had his early insurance experience with Hartford Fire, beginning as office boy. When Hartford opened an office at Atlanta he was sent there as an underwriter, and sub-

THE NATIONAL UNDERWRITER

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sequently was in charge of underwriting in several southwestern states. He went with Fidelity-Phenix as an examiner for Louisiana and Mississippi, and when the Texas business was transferred from Chicago to New York that state was added to his field. Later he was given charge of the entire southern business of American Eagle, and in 1916 was appointed agency superintendent for Continental in the southern and southwestern territory. He became assistant secretary of Continental in 1918, and subsequently was made secretary. In 1924, Mr. Grover was elected secretary of Fidelity-Phenix.

JAMES R. COCHRAN, 63, of the Julian & Cochran agency of Dallas, died at his home after a long illness.

THEODORE P. TRINKAUS, 55, Stamford, Conn., agent, died there.

ALEX J. FRACKENPOHL, 61, head of the Newark local agency bearing his name, died at a Summit, N. J., hospital after a short illness.

ERNEST R. KELLER, 66, a partner in the Keller & Bratcher agency of Clarkson, Ky., and president of the Bank of Clarkson, with which the agency was associated, died at his home. He had been suffering from a heart ailment.

JOSEPH N. KREYLING, 50, insurance manager for Missouri-Kansas-Texas Lines, died of a heart attack at his office in the Railway Exchange building at St. Louis.

ROY M. TODD, who operated as Roy M. Todd & Co., independent adjusters in Chicago for about 15 years, died of a heart ailment in Miami, Fla., Oct. 7. Mr. Todd sold his adjusting business in 1953 to Leo Walsh, Chicago adjuster, and went to Florida to handle adjusting there, but prior to his death was in the fruit shipping business. He was in the automobile business and then went into adjusting and was associated with the Thomas T. North adjusting firm before going independent.

Hopps Wins Right to Appeal on Issue of R. I. Attorneys

California supreme court on Friday gave Stewart B. Hopps permission to appeal from the ruling of Superior Judge Keating last January in which Mr. Hopps was refused his demand that the law firm of Edwards & Angell of Providence be disqualified in the suit against him on charges of wrecking the Rhode Island. Mr. Hopps said the law firm should be disqualified because Edward Winsor of the firm was formerly Mr. Hopps' personal attorney. This is a major victory in Mr. Hopps' defense of the case, in which he is being sued for \$8 million.

Plan Party for Wells

Indiana insurance industry committee will sponsor a dinner for retiring Commissioner Harry E. Wells Oct. 17 at Indianapolis.

Chicago A&H Assn. to Meet

Charles B. Stumpf, general agent for Illinois Mutual Casualty at Madison, will address a luncheon meeting of Chicago A&H Assn., Oct. 18.

Mr. Stumpf is a former president of the International association and a member of the leading producer's roundtable.

Zone 4 Has Full Agenda, but No Action Taken

Exactly 100 registered for the day and a half-long meeting of zone 4 commissioners this week at Chicago. The only official action taken was election of A. J. Jensen of North Dakota, the incumbent, as chairman to serve until June. The plan is to get the zone election in step with that of the parent NAIC.

Six of the eight commissioners in the zone attended, they being Mr. Jensen, McCarthy of Illinois, Wells of Indiana (accompanied by his successor, William J. Davey), Navarre of Michigan, Sheehan of Minnesota, and Burt of South Dakota. Samuel E. Orebaugh represented the Iowa department, and there were two on hand from the Wisconsin staff.

The deputies, chief examiners, actuaries and raters, held separate meetings Monday morning in which the industry participated, and in the afternoon the department men formulated reports for the commissioners. The agenda contained nothing of excitement, and when the commissioners got around to taking action most of the items were removed.

Social highlights included a luncheon Monday for the commissioners and their staff members and a cocktail party that evening for the entire registration list. The open general session Tuesday morning lasted only an hour, followed by another hour of executive session. Mr. Jensen introduced Director McCarthy of Illinois as "a man I just met since coming to Chicago," and Mr. McCarthy gave a brief official greeting to the group. He mentioned in particular the work done by Ralph Jones of Continental companies in making arrangements. In his response, Mr. Jensen said he would be glad to have Mr. McCarthy "come and mingle with us" in future zone and NAIC meetings.

The only other remarks at this session were given by Vance Arneson, deputy North Dakota fire marshal, who said there has been a comparatively large number of arson cases in North Dakota, 55 convictions or confessions in the last four years, with insurance as the biggest factor involved. He noted especially that insurance is carried in excess of the value of the property, mentioning that the latest case, a store, was insured for 10 times its value. In another case the company insured \$7,400 worth of hay on a farm property and nothing else. Something should be done about overinsurance, Mr. Arneson said, suggesting that it might be of benefit to inspect risks a little more carefully.

L. H. Sanford of Michigan was in charge of the meeting of deputies, actuaries and chief examiners, for which there were two items on the agenda—variable annuities (which were set aside pending the NAIC report), and the filing of National Life of Vermont on charges for collecting fractional premiums on life policies. No action was taken on this proposal of National Life that it charge a flat fee (such as 40 cents) for collection of a monthly, quarterly or semi-annual life premium rather than a percentage based upon the amount of premium involved.

At the meeting of the fire raters, (CONTINUED ON PAGE 38)

An ad worth remembering...

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT.

I buy by brand—do you?



"I buy by brand.

In the long run, I have found, you get more for your money—make fewer mistakes.

"That's the only way to buy insurance, too.

After a fire or other loss it is much too late to find out if you have made a mistake. That's why we talk to our agent at least twice a year and take his professional advice on what types of protection we really need.

"On his recommendation, our home, car and other property are insured by The Home Insurance Company. It's a friendly company, and that's important to us. We may never have a loss, but if we should, we'd rather be dealing with The Home.

"It's quality insurance—and real peace of mind."

Now, See Your HOMETOWN Agent

THE HOME

ORGANIZED 1853



Insurance Company

Home Office: 59 Maiden Lane, New York 6, N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

The Home Insurance Company's current advertising stresses two things—the value of your services and the quality of the protection you provide.

Remember the "brand name" theme—use it in your own selling efforts. You'll find that it's a sound, sensible and effective way to turn prospects into policyholders.

This advertisement appears in color in:

American Home—November
Better Homes and Gardens—November
Nation's Business—October
Town Journal—October
Business Week—October 8
Newsweek—October 10
Time—October 10
U.S. News & World Report—October 21

**Not a thing to worry about,
Dear. Your Hunters policy
pays your accident bills!**



Well, lady, you could show a little sympathy for your suffering husband! Seriously, though, hundreds of agents feel that they do their sportsmen-clients a real favor when they see that every hunter is given a chance to buy a Hunter's TRIPMASTER policy. World-wide protection against hunting, travel and other accidents. Up to \$50,000.00 Accidental Death and Dismemberment; up to \$5000.00 Accident Medical Expense. Under the combination Accident and Baggage plan, you may insure the hunter's baggage and shooting gear, in addition to providing personal accident insurance (except in N.J., Mass. and Texas where baggage protection is written in a separate inland marine form). Tripmaster policies are written for any period from 1 day to 6 months.

We'll gladly give you the details about Hunter's TRIPMASTER

American Casualty Company
READING, PENNSYLVANIA

*Pioneers in
multiple-line
underwriting*

**TRINITY UNIVERSAL
INSURANCE COMPANY**



**SECURITY NATIONAL
INSURANCE COMPANY**

EDWARD T. HARRISON, Chairman; GORDON S. YEARGAN, President
DALLAS, TEXAS

A&H Insurers May Raise Rates or Withdraw from N. C.

A&H insurers are considering increasing rates or withdrawing from North Carolina as a result of that state's new A&H law. This was brought out in a closed session at the annual meeting of Bureau of A&H. Underwriters which has now been made public.

The statute requires that for the termination of all cancellable or non-renewable individual and family hospital expense policies or commercial A&H policies issued after Jan. 1, 1956, notice of such termination be given 30 days prior to the premium due date for the first year with an increasing period of notice, not to exceed two years, for the months of continuous coverage beyond the first anniversary date of issue.

In a general discussion, comments indicated that the new law is a difficult one for company decision. Although company delegates did not mention specific rates, they generally observed that rates must be increased if benefits are not reduced or special forms drafted to meet the law's demand. While in most companies policy is not yet set, measures to meet the problem will undoubtedly be as varied as there are companies continuing to do business in North Carolina.

Several companies indicated they are planning a withdrawal of their A&H business, in whole or in part, from the state. Others, following a more moderate line, declared their intention of remaining and either increasing premiums substantially or re-drafting their forms to decrease benefits rather than increasing premiums. The latter approach, however, was viewed as the least convenient because of the present nationwide switch-over of entire portfolios to meet the imminent mandatory effective date in most jurisdictions of the new uniform individual and sickness policy provisions law.

The panel discussion, by the bureau staff, moderated by General Manager J. F. Follmann Jr., was brought about by a legislative bulletin released by the bureau which said in part: "While the bill can be regarded in one sense as a compulsory experiment which some companies may wish to observe for a period of time before determining what steps to take in compensation, it should be borne in mind that the bill does require a certain amount of deference to North Carolinians which is not required by statutes of any other jurisdiction. Before according this additional benefit to new policyholders in North Carolina without charge, companies should seriously consider the effect which such a course of action may have on their operations in other jurisdictions. This is especially so in those jurisdictions which interpret their anti-discrimination statutes as requiring at least as favorable consideration for policyholders in their states as is accorded policyholders elsewhere for the same premium on a given contract form."

John F. McAlevy, bureau counsel, emphasized that the problem was one for each company to work out individually. He cautioned, however, that the action taken, unless it was objectively demonstrable, would afford companies no protection in other states. He fur-

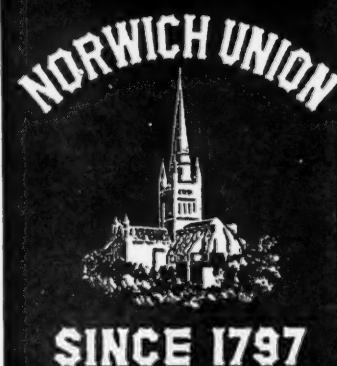
ther opined that companies must do more than tighten up on underwriting. His opinion was backed by other speakers who noted the considerable interest being taken in the North Carolina developments by many other states.

Boston Promotes Boyles

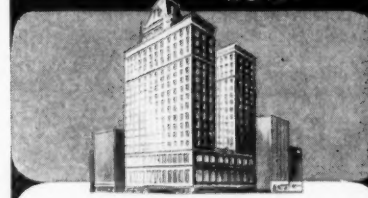
Boston and Old Colony have promoted Mark K. Boyles to casualty claims manager at Boston.

Frank E. Parker has joined the Greep, Merrill, Richardson & Edwards agency at Fort Lauderdale, Fla. He was formerly with the Wallace agency at Springfield, O.

State Automobile Mutual of Columbus has been licensed in Alabama, Georgia and Florida.

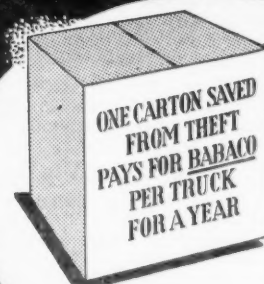


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The
Lord Baltimore
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In downtown Baltimore... within walking distance of nearly every place you'll want to go. Teletype: BA263.

DO YOU KNOW...?



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ALARM SYSTEM

723 WASHINGTON STREET
NEW YORK 14, N. Y.

Neumann Says to Keep Guard Up on Economy Auto Plans

After urging agents to support the uninsured motorist cover in New York, Joseph A. Neumann, Jamaica, N. Y., retiring president of National Assn. of Insurance Agents, told National Board of State Directors at the Los Angeles convention of National Assn. of Insurance Agents that he is optimistic about the automobile business. He was reporting as chairman of a special automobile committee.

Rate adjustments have further balanced the previously abnormally high loss ratios. The stock market "continues merrily upward." Multiple line writing has relieved the capacity problem. The predicted leveling off of the direct writers' loss ratio and their increasing premium writings is coming on the horizon. Agents have stopped calling for cure-alls and instead of meeting competition have gone out and made competition.

However, there is still a fly in the ointment, he said—economy auto plans. He said one recent highly touted plan that intimates mechanization as pretty much the answer to all the problems somehow finds it necessary to reduce the agent's retention in the premium while at the same time requiring additional detail, thus lessening his net take-home pay from two directions. No one has as yet been able successfully to explain the imbalance these new schemes create, through increased detail and decreased income to agents, he declared. A very de-emphasized procedure, part of this plan, necessitates cancellation, policy rewrite, billing, collection and record revision, whenever "addition or elimination of coverage and changes in limits of liability" are desired in mid-term.

Obviously such procedure more than counteracts any possible saving resulting from mechanization. Also, there is to be no more than one automobile on each policy, plus individual insured's check, payable to the company, for each new and renewal policy, for the full premium sent to the com-

Speakers Named for Accountants Annual

Panel discussions and exhibits of the latest in office equipment will highlight the annual conference of Insurance Accountants Assn., Oct. 26-28 at Washington, D. C.

Panels will be held relating to economy and problems in integrating multiple line processing operations, accounting and collection methods and statistical operations. H. K. Haag of Hartford Fire, Walter H. Mosher of Boston, George R. Ladner of Security-Connecticut group and Harlan T. Pease of Springfield F&M group will preside.

Milton T. Korman, assistant corporation counsel of the government of the District of Columbia, will speak on "Your Government Housekeeper Reports to You" and Arthur J. Slade of Rogers, Slade & Hill, New York City management consultants, will talk on management organization. Edmond F. Mansure, administrator of general services administration, is also scheduled to speak.

pany the same day it is received and the policy written. All this plus is purported to eliminate bookkeeping, an alleged economy under the plan.

It not only fails to eliminate bookkeeping, it is pretty well geared to eliminating the agent, he declared.

He said another industry spokesman, whose company has recently announced a plan, tells his agents they will have less work to do because of mechanization. However, this gentleman Mr. Neumann said, makes a suggestion. He proposes a joint company-

agent market research program undertaken by one or more of the large universities.

This suggestion has plenty of eye appeal. But agents should make certain the marketing experts engaged are practical as well as theoretical. Also, the launching of such a project implies that agents will be bound by its findings. He doubts the willingness of companies to get out on that limb.

Mr. Neumann said another proposal is to establish within NAIA and the regional trade organizations, sales de-

partments staffed by qualified people who would supply specialized marketing information and sales training programs for its members.

This is the start of an excellent idea, Mr. Neumann thinks. Because of a possible prohibitive cost factor, could agents subscribe to such a service with an established marketing organization? Or perhaps companies would supply agents with information from a central source.

The necessity of watching trends and
(CONTINUED ON PAGE 35)



Selling's Key Weapon Today

Findings in a recent independent advertising agency survey indicated that local agents are not in touch with their clients frequently enough, and that probably they are not reaching enough new prospects with their story. Actually, sales representatives of direct writers and specialty companies have been asking more people to buy than many local agents have!

Of recent years selling has been jetting ahead. Agency service is not enough today to hold the general run of business because many Insured never experience loss service, the really basic reason for buying insurance in the first place. There's a big need today for face-to-face selling, at which time the local agent can show his personal interest in the Insured and his insurance problem.

To get a general idea of the selling picture today as applied to the producer, write for a copy of our recent article, "Return To Hard Sell."

A producer can do only so much personal selling; therefore, he needs must employ advertising to multiply himself and so augment normal contacts with clients and prospects. Client-wise he can use our "Survey and Analysis Plan," linking agency service with personal selling, to turn single policies into accounts and thus increase the premiums per account so that each Insured pays his way in the agency. He can also utilize our Monthly Mailing Plan and Postal Card Series to supplement personal calls with mail calls. These sales plans are found in our advertising facilities booklet, "Key to Agency Development." Write our Advertising Department for your copy of that, too.

NORTH BRITISH and MERCANTILE Insurance Company Limited

The PENNSYLVANIA FIRE Insurance Company

The COMMONWEALTH Insurance Company of New York

The MERCANTILE Insurance Company of America

The HOMELAND Insurance Company of America

The OCEAN MARINE Insurance Company Limited

CENTRAL SURETY and INSURANCE CORPORATION

Atlanta
Detroit

Dallas
Chicago

Philadelphia
Kansas City

Boston
San Francisco

NEWS OF FIELD MEN

Ill. Field Men, Blue^{*} Goose To Meet Oct. 25

Illinois Fire Underwriters Assn. has scheduled its fall public relations meeting for Oct. 25 at the St. Nicholas hotel, Springfield. The meeting will be in the afternoon, and in the evening the Illinois Blue Goose will have a business meeting, initiation and banquet.

A special feature of the Blue Goose meeting will be the first public showing of the model drill team which will perform at the Grand Nest 50th anniversary next year in Milwaukee.

Field Changes Made by Royal-Liverpool

Royal-Liverpool group has named J. Ellis Brown and Donald L. Heaton special agents at Tampa, Fla., and transferred State Agent Walter P. Keating from Saginaw to Detroit succeeding State Agent Raymond A. Johnson, who resigned. Gordon D. Teakle, special agent, goes to Saginaw.

Mr. Brown and Mr. Heaton, who will work with State Agent J. M. Hill, are graduates of the group's training school. Mr. Brown joined Royal in the A&H department in 1952 and a year later became special representative for A&H at Atlanta. He has held the same post at Tampa since early this year. Mr. Heaton joined the group last year at Atlanta and became special agent there after completing his training.

Mr. Keating, with the group since 1946, made special agent at Chicago in 1950 and state agent in 1951. Mr. Teakle joined the group in 1948 at Detroit, was named special agent in 1953 and has served in the Omaha, Detroit and Grand Rapids territories.

300 Attend Ohio Field Rallies at Cincinnati

CINCINNATI—The annual fall get-together here of Ohio field men was attended by 300. New members admitted at the Ohio Fire Underwriters Assn. meeting were J. B. Greenwood of New York Underwriters, C. L. Nevel of Commercial Union, and J. V. Schwing of Commercial Union.

A change in the November meeting date at Toledo to Nov. 15 was announced by F. I. Sipp, Hartford Fire, president. An Ohio Blue Goose meeting will follow the field club sessions in the afternoon. The speakers club will hold a meeting Oct. 17 at Columbus with a discussion on dwelling package policies.

Ohio Fire Prevention Assn. has arranged an intensive town inspection program with a large number of inspections scheduled in the near future, Thomas Hutch, American, reported.

Thirteen goslings took their first swim in the Ohio pond at its meeting, with the charge administered by H. R. Underwood, Providence Washington, past most loyal gander. W. K. Wissler, Automobile, presented a report on the Grand Nest.

Mr. Sipp outlined the latest negotiations for group life coverage, and said a meeting will be held in January or February with representatives of the insurer.

To Inspect Lampasas, Tex.

The Alamo division of the Texas Insurance Field Men's Assn. will inspect Lampasas Oct. 19. Jack Emerson, Home, and Harold Bracher, Great American, will be in charge.

New American Field Office

American has opened a field office at Morristown, N.J., to serve agents in Morris county. Special Agent Stephen E. Parker is in charge. He has been with the company since 1919.

Hassett Named in N. Y. by North British Group

North British group has named Raymond M. Hassett special agent in Queens and Richmond counties, N. Y. He will assist Special Agent E. H. Place, with headquarters at Jamaica.

Dunne in Conn. Field for Aetna Fire Group

Aetna Fire group has named William J. Dunne a multiple line special agent in Fairfield county, Conn. He will be associated with David H. Weiher, state agent, with headquarters at Norwalk.

American Names McQuirk in N. D., Kjellgren in Mich.

American has appointed Michael H. McQuirk as special agent in North Dakota and northwestern Minnesota and Anthony J. Kjellgren special agent in Michigan.

Mr. McQuirk will have headquarters at Fargo, replacing James Hunt, who has been transferred to Lansing, Mich. A graduate of Nebraska State Teachers College, Mr. McQuirk has been in the South Dakota field for several years with Cimarron.

Mr. Kjellgren will travel out of Grand Rapids. He has completed American's advance multiple line training school and has had experience in the western department at Rockford. Most recently he has been special agent in charge of the Nebraska field.

Kennedy, Hodkowski Get New Assignments

Phoenix of Hartford group has promoted John F. Kennedy from special to state agent and assigned him to western Indiana. Chester F. Hodowski, special agent, has been transferred from eastern to western Michigan, territory formerly covered by Mr. Kennedy.

Mr. Kennedy, with the group since 1949, will make his headquarters at Indianapolis. Mr. Hodkowski will make his headquarters with State Agent W. P. Van Wormer at Grand Rapids.

Ex-N.J. Field Men to Hold Annual Dinner

Ex-New Jersey Fieldmen's Assn. will hold its annual dinner and meeting Oct. 24 at New York City. Joseph Sorge of Caledonian, president, will be in charge. Donald MacLay, vice-chairman of Ex-New York Fieldmen's Society, will be a guest. Arrangements for the dinner are being handled by F. W. Mallalieu Jr. of Great American and Harry Koehler of Continental.

Fire Work Explained to Conn. Field Club

Fire Marshall George Kennedy of Hartford discussed his department's activities in fire prevention and arson before Connecticut Insurance Field Club, which he praised for its cooperation with his city in fire prevention efforts.

Henry Stabile of Royal Exchange, chairman of the speakers and film committee, said that both speakers and films are still available throughout the state. Requests for films can be made to John O'Loughlin of Royal-Liverpool group.

Ga. Field Club Elects

Joseph R. Mangan of American, was elected president of Georgia Stock Fire Insurance Field Club at its annual

meeting at Atlanta. Other officers are S. E. Taylor of Seibels, Bruce & Co., vice-president; Herbert E. Broughton of Firemen of New Jersey, secretary; and George H. Corry of North British, treasurer.

American Transfers Dowds to Maryland

Peter J. Dowds, who has been special agent, underwriter and examiner in New Jersey the past three years, has been transferred by American to Silver Spring, Md. He will serve agencies in the District of Columbia and western Maryland. His office will be 10111 Colesville road.

Sparks Club Annual Set

Sparks Club will hold its annual meeting at the Penn Harris hotel in Harrisburg Nov. 18. The program will include election of officers.

To Inspect Alexandria, Ind.

Indiana Fire Prevention Assn. will inspect Alexandria Nov. 23. About 40 field men are expected to take part.

St. Louis Pond Schedules Dance

St. Louis Pond of Blue Goose will hold its annual "Hoe Down Dance," Oct. 21 at Creve Coeur Farmers club. The informal dance will feature square dancing.

Capt. Joseph Gallagher of the St. Louis police academy was the guest speaker at the pond's last meeting.

Alamo pond of Blue Goose held its midyear meeting in Nuevo Laredo, Mexico.

ACCIDENT & HEALTH

Paul Revere Offers Two Major Medical Policies

Paul Revere Life and Massachusetts Protective Association have introduced major medical expense policies for individuals and families. Both are non-cancellable and guaranteed renewable to age 65, with guaranteed premium.

The companies offer three plans, each with a different deductible, room limit and maximum benefit. The plan available to a particular applicant depends on the level of cost in his area and his income. Premiums are the same for each plan.

Plan 1 offers a \$50 deductible, \$18 room limit and \$7,500 maximum limit. Plan 2 offers a \$750 deductible, \$21 room limit and \$8,500 maximum benefit. Plan 3 offers a \$1,000 deductible, \$24 room limit and \$10,000 maximum benefit. Deductibles apply to expenses incurred within 70 consecutive days. Covered charge benefits for any one accident or sickness under the plans may extend up to two years and beyond if insured is confined continuously to the hospital.

The company will pay 75% and insured 25% of covered charges under the coinsurance arrangement.

Coverage in Paul Revere is available to men and women ages 18-55.

Ind. A&H Underwriters Take Stand on Blue Cross

A special steering committee of Indiana Assn. of A&H Underwriters met in Indianapolis to formulate an association attitude toward Blue Cross.

While no official statement of policy was made at the meeting, presided over by John Morris, Hoosier Casualty, it is understood that the consensus was that Blue Cross should not be opposed as a type of insurer but that if in-

stances occur of competitive merchandising or selling tactics considered by the association not in the best interests of A&H business or the insuring public, the association should make its opinion known to Blue Cross and to the public to the greatest extent possible.

It also was decided to acquaint the public in Indiana that Blue Cross and Blue Shield plans in that state are organized as mutual companies under exactly the same laws as other domestic mutual companies, the exact names of the two organizations being Mutual Hospital Insurance, Inc., and Mutual Medical Insurance, Inc. Thus, in the opinion of a spokesman for the committee, the "non-profit community plan" slogan used by Indiana Blue Cross and Blue Shield is no more and no less valid than the same slogan used by any domestic mutual insurer.

A subcommittee of the steering committee was directed to contact Indiana Assn. of Life Underwriters and the Indiana Assn. of Insurance Agents to see if those organizations would cooperate in the project. It was felt that the cooperation of the life underwriters would be particularly helpful since that association has just agreed to conduct the 1956 fund drive for the Indiana Heart Foundation, officers of which are prominent Indiana physicians and surgeons.

14 States Ponder Non-Can A&H: Two Enact Laws

Fourteen states considered legislation intended to restrict right of cancellation of A&H last year but only two states, Ohio and North Carolina, passed legislation dealing with some phase of cancellation.

Other states considering A&H measures were Alabama, Arkansas, Florida, Georgia, Illinois, Nevada, New York, North Dakota, Oklahoma, Rhode Island, South Carolina and Wisconsin.

In five of the states legislation was sought to make all A&H non-cancellable. In nine, the legislation would have required the period of notification to be increased depending on the length of time the policy had been in force, ranging from 30 days to two years.

Although legislation failed in 12 states, it received strong support in Oklahoma, South Carolina and Georgia.

Ill. Commercial Men's Agrees to FTC Order

WASHINGTON—Federal Trade commission has approved the fourth consent settlement reached to date in its campaign against alleged false and misleading A&H advertising. FTC announced that a cease and desist order was agreed to by Illinois Commercial Men's Association and approved by Examiner Laughlin.

The order prohibits advertising misrepresenting duration of policies, number of accidents covered, and that policies provide for paying certain benefits in addition to others "when this is not a fact," FTC said.

FTC stated that acceptance of the order does not constitute an admission by the company that it has violated the law as charged in the complaint.

Craftsman Promotes Two

Robert T. Wetzler, who has been with Craftsman for 16 months, has been named comptroller. Prior to joining Craftsman he was a partner in the management consultant firm of Fairbanks Associates of New York and previous to that was in the special service division of Ernst & Ernst.

L. B. Pinckney, who has been in insurance for more than 50 years, was named consultant to the benefits department. For more than 35 years, Mr. Pinckney was with U.S.F.&G. He helped found Boston Life & Accident Claim Assn. and Boston Underwriters Assn.

La. Adopts 7-Class Auto Plan; Young Drivers Up \$60

BATON ROUGE—The Louisiana department has adopted the seven-class plan for private passenger car liability insurance. The state has had a three-class plan.

In addition, the new rating setup will include a 10% reduction for cars whose drivers have completed an approved course in driver-training.

Among rate changes is a \$6 cut for cars driven by young women under 25, and cuts of from \$4 to \$8 for non-business cars not usually used to drive to and from work, with no operators under 25.

Cars owned and operated principally by unmarried persons under 25 will have a rate increase from \$60 to \$68, depending upon territory.

The change in rates will be effective Dec. 1.

Clever Gimmick Used in American Surety Folder

American Surety has a new advertising folder designed to use color-eliminating red acetate over black and white printed material to explain the value of valuable papers insurance. With the flap down, the advertisement reads "Fire insurance pays only for the records and ledgers themselves—just the cost of the paper." By lifting the acetate flap the reader sees that the insurance covers "The cost of actually restoring your vital business records." On the back of the folder, the companion coverage, accounts receivable insurance, is featured.

The folder is being distributed through branch offices to agents.

S. L. Larson, Hardware Mutual V-P, Retiring

S. L. Larson, an executive vice-president of Hardware Mutuals of Stevens Point, Wis., is retiring after 26 years of service. He started as a salesman in 1929 at Eau Claire, Wis., became the first sales manager for the casualty company, then sales manager at Fond du Lac, Wis., and Dallas, Tex., and organized the district office at New Orleans. In 1952 he returned to Stevens Point, and was elected vice-president of sales and advertising. A year later he was made executive vice-president.

Record Award Given in Tenn. Judgment

A judgment of \$72,800 has been awarded in a Chattanooga court to Mrs. Betty C. Adams of Rossville, Ga., for the death of her husband, R. J. Cowan. The award is believed to be the largest ever given in the state. The judgment was reduced from the \$115,701 award granted by the trial court.

Mr. Cowan was killed when a truck owned by Collinsville Wholesale Grocery Co., crashed into a Central of Georgia Railway engine on which Mr. Cowan was a switchman.

Schedule Survey Course at Detroit
Detroit Assn. of Insurance Agents will sponsor a survey selling course at the Veteran's Memorial building, Oct. 24-27.

Wash. Labor Group Set To Organize \$20 Million Insurer

SEATTLE—Washington Federation of Labor has filed papers to organize a \$20 million insurance company. Petitions for the new insurer will be sent also to Commissioner Sullivan.

The plans are to have the company provide "low-cost" policies to unions and their members covering accident, health, fire, low coverage automobile and other fire and casualty lines. The name will be American Federation Ins. Co., and it will be financed by the sale of one million shares of stock at \$20.

Hatfield Controller of National Union

Alvin K. Hatfield has been appointed controller of National Union companies. Previously he has been vice-president and controller of Government Employees. He has been in insurance since 1939.

Start DITC Courses in Indiana, Plan Others

Disability Insurance Training Council courses under way and planned throughout the country are as follows:

A course is in progress in Indianapolis, jointly sponsored by Indianapolis Assn. of A&H Underwriters and Butler university. Indianapolis Assn. of Life Underwriters cooperated in promoting the course.

William Cook, educational director of Great American Reserve, will begin a course in Dallas Oct. 27. Houston plans a course under William Delaney of American General Life. Dates will be announced later for course planned at several places in Florida and at Birmingham, Cincinnati, Columbus, O., Grand Rapids, Flint and Eau Claire, Wis.

DITC has certified 30 instructors and anticipates all will be teaching courses by the end of the year.

Line Up Card for Illinois Mutual Agents Meeting

Illinois Assn. of Mutual Insurance Agents will hold its annual meeting at Springfield, Nov. 17-18. The program includes a symposium on agency problems in which Russell Davis, vice-president of Lumbermen's Mutual of Mansfield, and Bruce Stake of Thompson, Kincaid & Powers of St. Louis, will participate, and an address on home owners' policies by William Roda of Transportation Insurance Rating Bureau. The banquet is scheduled for the evening of Nov. 17.

Scarborough Writes Special Cover

Scarborough & Co., through Stewart, Smith & Co. at Chicago, handled the insurance for the Chicago Transit Authority for the test run of a new CTA train recently. The insurance covered each passenger for \$100,000 death and injury, with an over-all limit of \$1 million at a premium of \$550.

Winston-Salem (N. C.) Assn. of Insurance Women is sponsoring a course in burglary and glass with Gordon W. Forbes, special agent of Hartford Accident at Greensboro, as instructor.



- ★ Ocean Marine
- ★ All Risks—Inland Marine
- ★ Lloyd's, London Covers
- ★ Fire (California Only)
- ★ Strong Domestic Companies
- ★ Excellent Lloyd's, London Facilities
- ★ Substantial Capacities
- ★ Friendly Service
- ★ Full Underwriting and Production Facilities

REPRESENTING

- Atlas Assurance Company, Ltd.
- Atlas Underwriters Agency (Fire California only)
- Old Colony Insurance Company
- Connecticut Fire Insurance Company (Ocean Marine)
- Boston Insurance Company (British Columbia only)

300 California Street
San Francisco 4, Calif.

3665 West Sixth Street
Los Angeles 14, Calif.

Dexter Horton Building
Seattle 4, Wash.

Equitable Building
Portland 4, Oregon

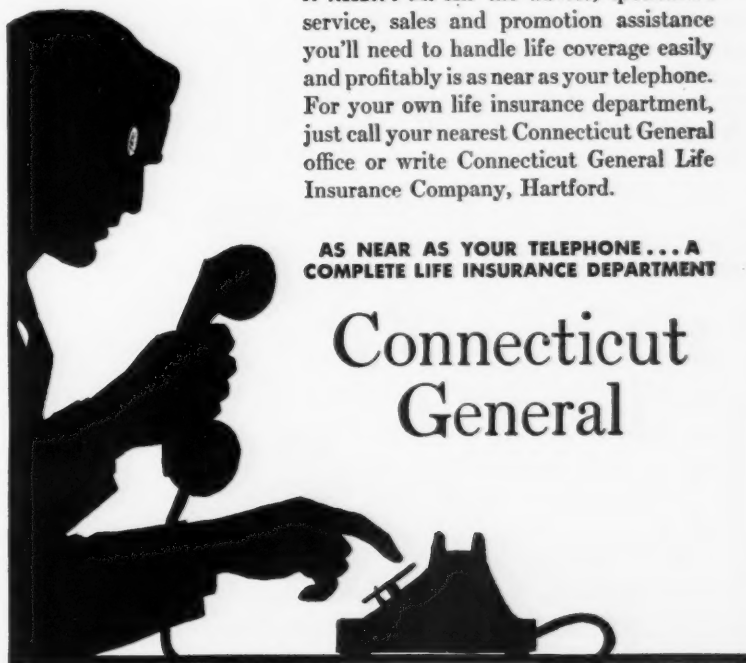
First National Bank Bldg.
Denver 2, Colo.

Life a problem?

IT NEEDN'T BE. All the advice, specialized service, sales and promotion assistance you'll need to handle life coverage easily and profitably is as near as your telephone. For your own life insurance department, just call your nearest Connecticut General office or write Connecticut General Life Insurance Company, Hartford.

AS NEAR AS YOUR TELEPHONE... A COMPLETE LIFE INSURANCE DEPARTMENT

Connecticut General



PRITCHARD AND BAIRD

99 John St., New York 38, N. Y.
Phone WO 4-1981

REINSURANCE

CONSULTANTS AND INTERMEDIARIES

"We Are What We Do"

Agent Worth His Salt, Buyers Tell NAIA Session

(CONTINUED FROM PAGE 7)

other questions must be cleared up before the agent can present his risk analysis. He must know almost as much about the corporation's business as the insurance manager himself, he said.

Most buyers believe that company underwriters rely pretty much on the manual rules. Too often companies underwrite with too little understanding of the specific problems and circumstances of the specific risk. The insurance manager relies on the agent to bridge this gap. Consequently, the agent must supply the insurer complete, clear underwriting information. Inadequate information leads to inadequate coverage and excessive rates.

The agent should be as interested in preserving the assets of the corporation as its insurance manager, he commented. He pointed out that the insurance manager needs to justify the rate and therefore needs to know how it is made up, in understandable terms. There is, he said, competition in rates, but the real competition is in the service the agent gives.

The objective of the insurance manager is neither overinsurance nor underinsurance, he said.

W. A. Miller of Lane Wells Co. said he was glad that buyers were trying to tell agents what they like them to do to aid the buyers so the buyers will be better at their jobs. How can the agent help administer a corporate insurance program after it has been set up? he asked. The buyer wants to deal with an agent of integrity who has courage to tell the corporation its standing in any insurance situation.

The agent is almost an employee of the corporation, available at any time on any insurance problem but particularly so at time of loss or catastrophe. The risks a business runs do not exist from 9 to 5 and then cease; they go 24 hours, he pointed out.

Industry today is highly specialized, he said; it is constantly creating new risks. The agent of one insured saved the corporation \$17,000 in premiums by transferring the coverage on specialized equipment from automobile to floater because it was not on the highway and met certain other qualifications. That \$17,000, he said, is being used to increase limits and make other

improvements in the insurance program.

The agent must possess imagination and integrity, he said. If he performs his job he has little to worry with respect to commissions and renewals. Too often, he commented, agents give at least the impression of worrying too much about commissions.

Mr. Parrett's final note of advice was to tell agents that they will not hurt their standing with corporate insurance managers by taking time to answer questions—the managers know that some questions take time to answer.

At the conclusion of the session John Weghorn of New York held an informal discussion with other agents facing the problem that New York City agents have of placing the personal property floater and jewelry floaters.

Besides Mr. Pearson and Mr. Schinnerer, among the other members of the metropolitan committee are E. B. Berkeley of Cleveland, Philip Bronson of Seattle, William Dunham of St. Louis, Herbert Haas of Atlanta, Clayton Hale of Cleveland, W. H. Menn of Los Angeles, John Weghorn, Stuart Windsor of Baltimore, and Edgar O. Stoffels of Chicago.

Fla. Board Doubtful on Self Insurance

Dade county, Fla., school board, considering starting a self-insurance program for fire and extended coverage, recommended by the county grand jury, has received a report by a three man survey committee which questions the advisability of such a plan.

The grand jury cited that from 1950-1954 the schools had paid an average annual premium of \$221,574 and claim payments had amounted to \$58,161. The jury recommended that \$200,000 be set aside the first year and \$100,000 annually until \$750,000 was in the fund.

The survey committee suggested that the board develop analytical records to determine the types of insurance needed in the future, that it hire a school insurance manager, and develop a procedure for safeguarding insurance reserves. It also suggested ways to reduce workmen's compensation costs.

Mid-West Buyers Assn. to Hear Kemper Executive

Thomas Garvey, manager of the compensation and general liability underwriting department of Kemper group midwest agency division, will address Buyers Assn. Inc., Chicago, on Oct. 20.

Mr. Garvey's subject will be "Recent Liability Policy Form Changes and Their Effect on Coverages."

Detroit Agents, Credit Men to Collaborate on Panel

Detroit Assn. of Insurance Agents and Detroit Assn. of Credit Men are collaborating in the sponsorship Oct. 20 of a panel discussion on "Insurance and Credit Risks" at Sheraton-Cadillac hotel.

Hampton Irwin, head of Wayne university insurance department, will be moderator. Thomas Crowley of Topis & Harding, Wagner & Glidden and Donald Glossop of the Hamann agency will represent the insurance industry. Tyrus R. Stansbury, credit manager of Manufacturers National bank, and William Baird, of Detrex Corp. credit department, will speak for the credit men.

Syracuse (N.Y.) Insurance Women's Assn. will hear Gordon Goodyear of New York Telephone Co. speak on winning friends by telephone at a meeting Oct. 17. Miss Doris Phelps is program chairman.

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Contract bonds are required by law on almost all construction contracts for federal, state and local governmental units, providing a ready made market from which many good agents are developing large premium income.

Private construction contracts, including industrial construction, office buildings, warehouses, shopping centers, public utilities, and railroads represent a huge volume of construction work, on which few performance bonds are written.

Aggressive agents have a big job to do in selling private owners on the wisdom of requiring surety bonds on such contracts. Central Surety will guarantee performance of the contract and payment of labor and material bills on private contracts. The owner can thus have the benefit of the lowest qualified competitive bid, with assurance of completion at a guaranteed cost.

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CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE—KANSAS CITY 41, MISSOURI

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1948 (Title 39, United States Code, Section 213) of The National Underwriter, published weekly, at Chicago, Ill., for Oct. 1, 1955.

1. The names and addresses of the publisher, editor, managing editor, and business manager are:

Publisher, The National Underwriter Co., Chicago, Ill.
Editor, K. O. Force, Greenwich, Conn.
Managing Editor, J. C. Burridge, Hinsdale, Ill.
Business Manager, R. J. O'Brien, Chicago, Ill.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati: John Z. Herschede and Elizabeth W. Herschede, Trustees, Cincinnati, Ohio; Levering Cartwright, Trustee for C. M. Cartwright and Kathryn Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; Levering Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Leslie K. Wadsworth, Highland Park, Ill.; R. E. Richman, Holland, Mich.; George W. Wadsworth, Highland Park, Ill.; How & Co., Chicago, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiants full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 17,137.

Sworn to and subscribed before me this 26th day of September, 1955.

H. E. LISTUG.

(Seal)

My commission expires Aug. 18, 1957.

Sees Large Future for Commercial Block Form

(CONTINUED FROM PAGE 11)

Mr. Frampton declared. Much was learned which will prove beneficial to the national development of the block market.

He listed a few of the important decisions that were reached after most careful consideration:

1. Most block policies being multiple line, the statutory requirements of each class of insurance included will ultimately have to be recognized by insurance departments. To comply with such an anticipated ruling the block forms developed by the committee were designed for attachment to the statutory fire policy. But this isn't the only reason. Fire insurance is the most universally understood and universally sold physical damage coverage. Identifying this new contract with the fire policy removes the specialty tag and should help to overcome possible sales resistance. Since the success of the block contract is based upon ability of the business to develop a greater premium volume and a more favorable underwriting selection—in other words "a better book of business"—it is most important that it take advantage of this sales aid.

2. The block contract is an indivisible package of coverages. Insured has no option to pick and choose specific coverages. To do otherwise would tamper with the underlying philosophy of the contract. The industry committee therefore concluded that no other insurance is to be allowed and it is not contemplated that a pick-up and credit endorsement will be available.

3. A mandatory deductible will be used—but will only apply to the maintenance or management type of loss. Great pains have been taken to provide, as nearly as possible, the same coverage as would be provided by the specific policies that are being absorbed by the block contract.

4. The forms developed by the committees are definitely multiple line. They contain the combined thinking of fire, casualty and inland marine underwriters—and they are much more specific as to their intent than is the usually informally drafted inland marine contract.

5. The use of class rating technique was considered quite impractical due to the scope of the current block market. Competitively it was deemed essential to provide more flexibility in the rating formula than would be the case under class rating treatment. From a company standpoint a rating formula which measures all the exposures of the individual risk is vital. Formal rating bureau promulgation and examination of rates and forms was one of the first committee conclusions. This has caused some concern by those who prefer to continue the rating freedom of certain coverages—but experience has already made it more evident that any such individual company freedom of rate treatment for any peril or situation included in the block package will result in only one thing—competition for the other premiums involved in the package. Such competition could result in a give-away program for the informally rated coverages. This would be far more detrimental to the business than any possible implications caused by control.

6. It is deemed essential that the perils and situations that can be controlled by proper management on the

part of insured should reflect the quality of management. Consequently such coverages are recognized in the rating formula by the inclusion of schedule debits and credits and (after the contracts have been in effect for a credible period) experience debits and credits.

L. M. Brimmer, Sun General Attorney, Retires

Leo M. Brimmer, general attorney and a director of Sun, retired Sept 30, under the company's retirement and pension plan. He started in the legal department in 1923, later becoming attorney of record, and in 1949 he was made general attorney. He is a graduate of Syracuse university law school.

Atlantic Group Makes Changes at Detroit

Atlantic Mutual and Centennial have named John J. Mackowski manager and Dale M. Gain state agent at Detroit.

Mr. Mackowski, who succeeds Arthur E. Mead, who resigned to join the Durfee agency at Fall River, Mass.,

joined the companies in 1951 and became marine manager at Detroit in 1953.

Mr. Gain joined the group in 1948 in the fire underwriting department of the midwest division. He went to Detroit as special agent in 1951.

Walter Meiss Given Testimonial Dinner

A testimonial dinner was held at New York City for Walter Meiss, who recently retired as U. S. manager of London Assurance and president of Manhattan F.&M. Attending were some 40 company personnel and business associates.

Kenneth J. Bidwell, Mr. Meiss' successor, was toastmaster and presented Mrs. Meiss a silver service. Other speakers were Joseph Greenhill of Greenhill & Greenhill law firm, Chris D. Sheffe, whom Mr. Meiss succeeded as U. S. manager in 1950; Karl Weipert, manager of London's Illinois department, and Charles J. Penna, New York metropolitan manager. E. A. W. Paterson, Canadian manager, represented that branch.

Mrs. Herbert M. Wilson Jr., has been elected vice-president of Luddington Corp., Orange, N. J., insurance broker and specialists in marine insurance.

Preventive Action to Cut Accidents Urged

The best way to curtail accidents is to keep accident-prone drivers and vehicles off the road, Irvin S. Markel, president of American Fidelity & Casualty, told the traffic safety committee of the Safety Council of Greater Youngstown, O.

Mr. Markel, who is also vice-president of Market Service, suggested that legislative action be taken to require compulsory periodic inspection of all motor vehicles and to limit issuance of drivers' licenses to those who are completely qualified to drive and who have reached the age of moral responsibility.

CPCU Conferment Is Conducted at Atlanta

A group of southeast men received the designation of chartered property and casualty underwriters in the first southeast regional conferment ceremony. Dr. Harry J. Loman, dean of American Institute for Property & Liability Underwriters, conducted the ceremony. W. Horace McEver of Atlanta is president of Dixie chapter of CPCU.

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LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Battles NAIA V-P; White, Hartson To Board

(CONTINUED FROM PAGE 1)

and the annual in New York. It will be hard to top the attendance here of approximately 2,450, more than 500 over the former high.

At the banquet, M. J. Miller of Fort Worth, past NAIA president, installed the new officers of NAIA and the Cal-

ifornia association. Retiring President Joseph A. Neumann acted as toastmaster. He presented John F. Neville, formerly executive secretary and general counsel and now with American Insurance Assn., and Mrs. Neville with a large, handsome desk set.

NO. 10 OF A SERIES



Service does Pay

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Among the resolutions adopted by NAIA were four dealing in general with traffic accidents. The intention of some automobile manufacturers to stop promoting horsepower is commended by NAIA, along with built-in safety features in some of the 1956 models.

Agents were urged to take an active interest in getting strict traffic law enforcement in their communities. Membership was urged to continue vigorous support of the high school driver education program. NAIA, in another, wholeheartedly commended National Conference of Safety Coordinators for its "slow down and live" program.

A memorial was adopted on the death of Terrell Wesley Sr. of Lake Charles, La., past president of Louisiana association and a member of the NAIA executive committee in 1940-41.

Ohio won both the mileage and attendance cup. There was a lot of interest in the convention by Ohioans, part of it undoubtedly due to the candidacy of Arthur M. O'Connell of Cincinnati for the vice-presidency.

There was much interest in the report to state directors by G. S. Hanson, NAIA secretary and general counsel on agency taxation problems. He said that two provisions in the income tax law which permitted an agent to set up unearned commission reserves for tax purposes and to defer prepaid income were repealed because of political pressure. NAIA was the only spokesman for small business during the hearings before the House ways and means committee, and Mr. Hanson said there is reason to believe that the political climate will be more favorable to reinstating these provisions at the next session.

Mr. Hanson also discussed the recent unpublished internal revenue ruling that an incorporated insurance agency comes under the confiscatory personal holding company tax. He said he cannot believe the law was ever intended to reach such a business, being aimed primarily at people such as actors who formed corporations to reduce their tax liability, and that if the holding should stick it would, in effect, deny the legitimate business device of incorporation to most agencies. NAIC has taken over the case of this agency and has made a formal request for reversal of the ruling.

Everett North of Billings, Mont., discussed Saskatchewan Guaranty & Fidelity, the Canadian provincial government insurer, and L. P. McCord of Jacksonville, Fla., Caisse Centrale de Reassurance, the French government insurer, before the directors. In the discussion it came out that Con-



At North Carolina NAIA convention headquarters: F. F. Owen, resident vice-president, San Francisco; R. G. Osgood, vice-president, Philadelphia; F. G. Harrington, advertising manager, Philadelphia.

necticut has a law which excludes insurers owned or controlled by foreign insurers, Illinois has such a law effective July 1, Florida now has such a measure and North Carolina and North Dakota have such laws.

Thurston Jenkins of Denver suggested that the articles on insurance (liability and fire) of American Institute of Architects be reviewed by the property and casualty committees of NAIA with possible recommendation of revisions. He said there are state by state requirements. This will be done.

Jerry Haggard of Albuquerque urged that the midyear meeting of state national directors be held in Denver April 28-May 1, 1957.

Following the presentation of the public relations committee report of John C. Stott, Emil Clauss of Buffalo proposed on behalf of New York state association that NAIA make available counseling service to all motorists insured by a member of NAIA traveling outside his locale. To further this idea, each agent should display the NAIA emblem which would serve as a beacon informing motorists that here is a member of NAIA ready to serve him as though he were his own agent.

At the agency management workshop Wednesday morning, J. W. Marshall, Los Angeles, vice-president of Marshall & Stevens, discussed appraisals, stressing the need of an appraisal intended for establishing insurable values and not for other purposes. A building, he said, may have several different values, all legitimate and correct. Basing amounts of insurance on appraisals for tax and other purposes is dangerous and has often resulted in overinsurance or underinsurance. He cited as an extreme example an old building in the city which had a replacement cost of \$120,000 and, with proper allowance for depreciation, an insurable value of \$80,000. However, the owner was stuck with long term leases at low rentals and would have sold the building for

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\$40,000. This figure was high, Mr. Marshall said, because on an income basis the value of the building was \$25,000 and its book value, after depreciation writeoffs for tax purposes, was \$15,000.

Mr. Marshall said that, despite occasional periods of deflation, property values have increased steadily since the Revolutionary War and in his opinion will continue to do so. Since 1944, property values have increased 100%, so if an agency is now writing twice the amounts of insurance it did then, it is only holding its own. Further, in the average community, tripling an agency's business over 1944 means it is getting only its share of new construction.

In his discussion of casualty insurance at the Tuesday morning session, D. A. Bolton, Jacksonville, Fla., said that he does not think multiple line and package policies will completely take over the casualty field. Block and package policies have their place, but they are necessarily restricted to risks in a group having the same general characteristics. Many risks which can be grouped for property insurance have such widely different liability, employee dishonesty and other casualty exposures that they must be handled individually and will continue to challenge the competent agent. He said he thinks, however, that blanket liability insurance, with premiums computed by reckoning the exposures of the risk, will continue to grow.

At rural and small lines agents breakfast Wednesday, L. E. Woodbury, Wilmington, N. C., national executive committeeman, talked on cut rate competition. He said the important matter is for the agent to believe in what he sells and to make a connection with a cut-rater if he is not convinced that standard stock company insurance, with his services, is the best. Too many agents automatically assume that any quotation by a participating carrier is lower than what they charge. This is a mistake, Mr. Woodbury said. The agent should carefully examine every competing policy and competing quotation. In a surprising number of cases, he will find his companies, when the coverage is equalized, are charging no more for their protection. He told of a former captive agent who had been the leading producer in North Carolina for his company, had become a local agent and had not failed to hold any business which he wanted. This agent told Mr. Woodbury that price had never been a factor in his sales—he had gotten his business by working hard and getting acquainted with rural property owners and he kept it by the same tactics.

Mr. Woodbury said he had been twitted about speaking at a rural agents meeting, but a few days in California convinced him he is truly rural by contrast.

H. W. Peay, Ada, Okla., president of the Oklahoma association, pointed out the advantages of county boards, using the theme "our competitor ain't so bad if you organize him." Using a bundle of sticks to illustrate the power of organization, Mr. Peay stressed legislative influence, public relations, cooperative advertising, editorial cooperation from local papers and handling public business as benefits to be gained. He urged agents to ask help from their state association officers in organizing any unorganized counties and cited Ohio as an outstanding state in this regard.

B. W. Phelan, Versailles, O., des-



Mrs. Inglis and Ralph Inglis, president of Founders, at the NAIA convention in Los Angeles.

cribed the legislative and judicial procedures which have kept automobile dealers out of the insurance business in Ohio. C. W. Berkner, Sleepy Eye, Minn., president Minnesota Assn. of Insurance Agents, explained the new farm schedule in that state, which has attracted interest in other states.

K. A. Young, Blue Earth, Minn., chairman rural and small lines agents committee, presided and introduced the other committee members: D. A. Hawkins, Shelbina, Mo.; J. C. Hearn, Roanoke, Ala.; Thomas Prescott, Jerome, Ida.; G. C. Waite, Bozeman, Mont., and E. G. Welchman, Woodstock, Vt.

There was a good crowd for the educational breakfast, which was handled by Thomas J. McKernan, director of the educational division of NAIA, Ernest F. Young of Charlotte, N. C., chairman of the educational

(CONTINUED ON PAGE 32)

Insurance Agents and Brokers:

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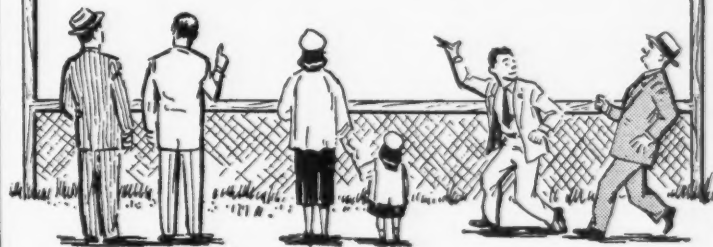
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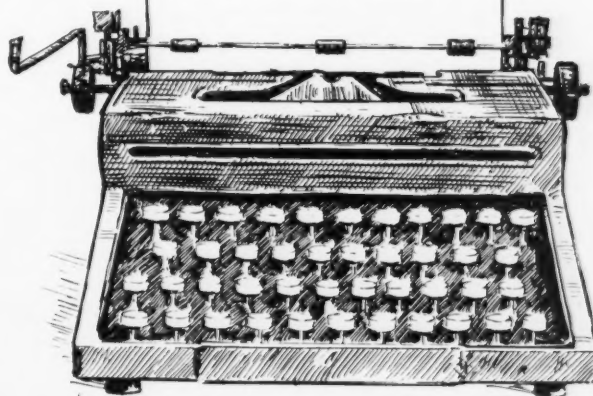
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Lawyers Eye Changes in Standard Auto Policy

(CONTINUED FROM PAGE 15)

ble interest" in scope.

More recently, he added, some insurers have become more active on subrogation in this situation. Also there is a tendency for more risks in the middle or upper tax brackets to insure new cars for physical damage only during the first year after purchase, or to insure subject to a higher deductible than previously. In consequence, a borrower had come to have a greater need for DOC collision coverage, which the 1955 revision afforded.

In making this coverage generally available for the first time, the companies were anxious to avoid stimulating subrogation actions. Accord-

ly, the coverage was conditioned to apply only if no other insurance were applicable to the loss, whether in favor of the borrower, the owner or any other interest.

This other insurance limitation has given rise to some dissatisfaction, Mr. Faude said, principally in cases where a DOC insured has purchased full coverage or a low deductible, but the owner has purchased a high deductible. The matter is undergoing further study, he commented, and some modification of the other insurance limitation is likely. One possibility would be to make frankly "double interest" the basic PHD coverages; the DOC coverage then could properly be af-

forded on an excess insurance basis, exactly as the liability coverages have been. This would eliminate the "gap" which now results when owner and borrower purchase different deductibles.

He noted that the DOC coverage in the past has been predicated on the individual named insured being and continuing to be the owner of the described automobile. Under the 1955 revision, the DOC coverage will continue to apply even though named insured has disposed of the described automobile.

Insured will benefit from this element of broadened coverage, as in those instances where there is a substantial interval between the disposing of the described car and the acquisition of its replacement. Note, however, he said, that since the company thus remains at risk after the described car is disposed of, the company no longer safely can compute unearned premium from the date of disposition. Where an insured wishes his premium adjustment as of the disposition date, he must give the company prior or concurrent notice.

Commenting on the defense, settlement, supplementary payments insuring agreement, Mr. Faude noted that with greater unanimity the courts have recognized the interdependence of the obligation of payment and defense and have excused the insurer from both in cases falling outside the scope of the coverage. However, where insurer ceases to have a stake in the outcome by reason of the exhaustion of the applicable policy limit, some courts have inclined to the view that the defense obligation is independent of the obligation to pay.

The position of most company underwriters, Mr. Faude believes, may be summarized as follows:

The company does not stand relieved of its defense obligations simply through tendering its applicable limit; rather, the company must undertake the defense, at least until actual settlement of claims or payment of judgments has exhausted the limit.

At that point, the company should stand relieved of the defense obligation; provided this cannot conceivably be of prejudice to insured as respects further claims or suits.

Mr. Faude believes that this question will continue to be studied, with some thought given to the ultimate desirability and nature of a specific clause which would terminate the defense obligation at a definite time or point in relation to exhaustion of policy limits.

He concludes that the 1955 revision

of the policy contains numerous changes of real, though moderate, importance—most of them directed at further broadening the general policy scope in keeping with the pattern begun in the 1935 policy.

Mr. Thomas said that one conditions section change was insertion of a new provision defining the extent of insurer's liability for property damage caused by insured. Previously policy drafters considered such a clause necessary.

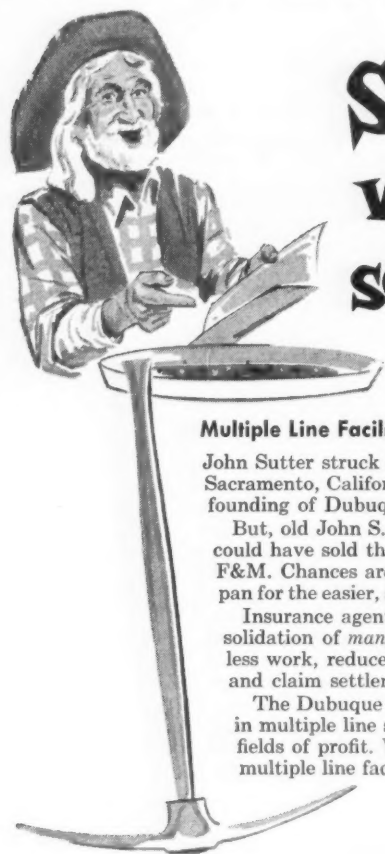
However in 1949 the fifth circuit court of appeals decided *Anchor Casualty vs McCaleb*, which caused speculation as to whether these provisions any longer would accomplish their intended purpose. The case involved a wild oil well which gushed intermittently for 50 hours. The wind shifted several times, carrying mud, sand and oil gas distillate, blown into the air by the well, onto the properties of landowners and tenants in the area. Anchor Casualty had issued a liability policy to McCaleb which included a PDL provision limiting insurer's liability to \$5,000 for "each accident."

Anchor asked the court for a declaration to the effect that its total liability for PDL was \$5,000, though claims then filed against insured by adjoining tenants and landowners aggregated more than \$35,000. The court instead considered that the blowing out of the well was not a single accident but rather a series of events or a catastrophe and that numerous accidents were the product of this motivating force with the wind as a supervening force.

The court also said the wording "each accident" must be construed from the point of view of the person whose property is injured and that when insured on one occasion damages the property of several claimants an accident occurs to the property of each owner.

In light of this language, the new condition on PDL has been inserted in an attempt to make clear that insurer's liability for PDL "caused by accident" is the monetary limit set forth in the declarations whether the property damaged is owned by one or several persons.

Since the drafting of the new condition, there has been a series of cases wherein the interpretation of "each case has been involved. *St. Paul-Mercury vs Rutland* is still pending. In that case insured's truck ran into a train damaging freight cars owned by 14 separate owners. Insured relying on the Anchor case, claimed 14 separate accidents and demanded reimbursement from insurer for the money



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already paid by him to the various owners for property damage suffered, though this sum greatly exceeded the property damage limitation of \$5,000 for "each accident" set forth in the policy. The district court upheld insured's contention upon the authority of the Anchor case, and the decision was affirmed by the circuit court. However, upon motion for reargument the circuit court recalled its opinion and granted reargument *de novo*.

Two other cases have appeared in other parts of the country. In both cases the lower courts citing *St. Paul-Mercury vs Rutland* ruled that the term "accident" must be viewed through the eyes of the individual whose person or property is injured and consequently the limits set forth in the declarations are available to each person damaged. In *Truck Insurance Exchange vs Rhode* an appeal has been taken; in *Tri-State Roofing Co. vs New Amsterdam Casualty* a motion for reargument is pending.

None of these cases deals with the newly added policy language. It is difficult to tell just what effect the outcome of those cases will have upon the newly inserted condition. It is conceivable that after the smoke of many battles has cleared, still further modification of the policy will be necessary to leave no doubt as to the meaning of the contract.

The wording of the new property damage limitation appears more readily to indicate the intent to treat "accident" as a cause rather than an effect and, consequently, to anchor more clearly the policy's limits to the event causing injury regardless of the number of persons whose property becomes damaged because of such an event.

Another significant change in the new revision relates to financial responsibility laws, Mr. Thomas said.

The purpose of both old and new provisions is to permit the standard policy to be used as a certified policy under the FR laws of the various states without the need of an added endorsement. Such laws provide that an auto liability policy so certified renders the insurer absolutely liable whenever loss or damage covered by the policy occurs.

Naturally, absolute liability negates many of the defenses afforded to the insurer by the standard policy. Consequently, it has been held that misstatements made by insured and limitations set forth in the insuring agreements, policy exclusions, and conditions which are normally available to the company, constitute no defense if

they are inconsistent with requirements of the FR law.

It has always been intended that the FR condition be prospective in nature without application whatsoever until insured motorist becomes subject to FR and even then only if the policy has been issued and certified as proof of FR. In the main the courts have agreed that both requisites must be present before absolute liability can be imposed upon the company.

However, in the last few years there has been an increasing trickle of case law holding that the clause as it formerly read was not prospective in character but constituted a voluntary assumption by insurer of the absolute liability normally imposed only after the policy had been certified as proof of FR, he said.

Disturbed by such holdings, policy draftsmen apparently decided to indicate unequivocally that insurer intended the FR condition to apply only prospectively. However, even language as clear as this cannot do much to alter the situation in New Hampshire where all policies have been made absolute by statute, whether or not issued and certified as proof of FR.

A minimum 5% premium surcharge is imposed upon FR policies, but this additional premium is generally considered most inadequate in view of the fact that the basic reciprocal obligations of insured are in effect waived when a policy becomes absolute. Consequently, retention of reimbursement clause, although seldom resorted to by insurers, acts as a strong moral deterrent to insured acting with complete indifference to his insurer.

A further reason for continuing use of the reimbursement clause is the fact that its omission in a sense would discriminate against voluntary insured who purchased insurance before being compelled to do so, Mr. Thomas said.

Examining the advisability of striking the clause from another aspect, it is possible that such action could actually result in rate discrimination in favor of certified insured.

An important new condition concerns severability of interests.

Obviously, Mr. Thomas said, if A runs into and damages his own property, he can make no claim under the policy. If A loans his car to B, and B runs into A's property, the policy's drafters intend that coverage exist. However, if the term "the insured" were considered collectively, B would not be protected by the policy if such by A, the named insured. Since it is now clear that the term "the insured" is severable in this situation, applying

only to the person against whom claim is made or suit is brought, B clearly is protected when sued by A for damage to A's property caused by B's operation A's automobile.

Agents Reward Drivers

KENOSHA, WIS.—Kenosha Assn. of Insurance Agents is conducting a "courtesy driver awards" campaign, giving away \$5 a week to the winning driver. If the winner's car carries a "Slow Down and Live" sticker distributed by board members, the prize is doubled.

N.Y. Mariners Outing Winners

Winners of the field day events of New York Mariners Club were William Bolton of Marine Office of America. Skipper's trophy for low gross; Freejan Blodgett of Home, Babaco trophy for low net; Russell Scott of

American International Marine Agency, putting prize; Aldo Rolleri of Atlantic group, nearest-the-pin contest prize and Frank Swallow of Royal Exchange, prize for catching the largest fish. Thomas Kennelly of St. Paul F&M. was chairman of the program committee.

Course on Homeowners

Insurance Society of New York is accepting registrations for its course on homeowners policies which will begin the week of Oct. 17. Four sections of the class have been scheduled, with each section meeting one evening a week from 6 to 8 p.m., Monday through Thursday. The course will last eight weeks.

George W. Skipper, owner of the Skipper agency at Jackson, Ala., has purchased the Fullmon Vann agency, 116A St. Michael street, Mobile, Ala.

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Battles, White, Hartson Are Named by NAIA

(CONTINUED FROM PAGE 29)

committee, L. Allen Beck of Denver, Lyle Gift of Peoria and J. Norvell Rice of Richmond. Mr. McKernan explained the new farm course and announced that a new textbook on A&H is being developed. One on dwelling coverages will be developed perhaps

next year when things settle down in that field. L. P. McCord of Jacksonville told how helpful a series of meetings over Florida had been in getting information to 600 or more agents on the new dwelling forms.

Mr. Young reviewed the educational contest, and W. W. Noblin of Durham told of the North Carolina association's special contest to tie in with that of NAIA. North Carolina is giving the local boards in its state

three prizes, \$300, \$200, and \$100. The contest has had a very stimulating effect on local board educational plans, he said.

The executive committee named Maurice J. Hartson Jr. of New Orleans



M. J. Hartson Jr.

to that body. Mr. Hartson has been serving on the finance committee, he is a past chairman of the property insurance committee, and he served on the commissions committee of NAIA. He entered business in 1924 with his father, who established the agency in 1907. He has been active in the Louisiana association and took an active part in securing the one-write policy in Louisiana, which was one of the leaders in the adoption of this form. He served two terms as president of New Orleans Insurance Exchange, and is past m.l.g. of the Louisiana pond of Blue Goose. He has also served as chairman of the fire prevention board of New Orleans and of the New Orleans civic affairs committee.

Ralph D. Callister of Salt Lake City, in his report for the dues allocation formula committee, said the group had continued its study on the use of estimated white population on a current basis rather than on the 1950 official census figure. The committee also experimented with the idea of using the 1950 official census figure in conjunction with the 1950 "membership development to standard" figure, which gave two stabilized factors instead of one.

This latter experiment proved entirely unsatisfactory, as it served only to widen the gap of disparity that is now complained against between cost per member for a state with a maxi-

mum credit as compared with a state with a maximum debit in the "membership development to standard" factor.

However, the committee's study of the use of a modifying maximum for development to standard proved fruitful. Using various figures and percentages the committee concluded that a maximum of 20% did more to equalize the effects of the formula and alleviate disparities that now exist, without creating a chaotic condition, than any other figure. It became very apparent to the committee that in 1960, when a new official census figure will be used, that a terrible impact will be felt in many states. With the modification of this maximum credit-debit the blow will be softened to a great extent.

The committee recommended that National Board of State Directors seriously consider changing the dues allocation formula to place the maximums, both credit and debit, at 20% for "membership development to standard" instead of the present 25%.

In his report, F. Chandler Moffatt of Westport, Conn., chairman of the Bowen public relations award committee, noted the addition to the group, for the first time, of a member of the public. His contribution to the work of the committee was very helpful, and Mr. Moffatt recommended that NAIA consider the inclusion of such a member on other award committees where the award includes consideration of the relations between the business and the public.

The extent of the programs carried on through some state associations indicates that more and more of the members are realizing the necessity for selling the public on insurance and agent services, the report noted. The fact that in one association the individual agent's contribution to the cooperative program ran as high as \$350 shows the support behind the program. The reaction to the program from the public and from direct writing companies shows that the money is getting results.

The committee was disappointed, Mr. Moffatt said, because all of more than 20 associations that are conducting PR campaigns did not send in entries. There is an even more important reason for submitting an entry than winning the award because the business faces the job of retaining and enlarging its buying public. This requires that all elements of the business work together. If each association could, by submitting an entry for this award, contribute one idea to the common good, Mr. Moffatt believes they would be well repaid for the time and trouble of preparing an entry.

The committee commended Hawaii board for its impressive exhibit of the way in which they are continuing their excellent PR campaign which won the Bowen award for them in 1953 and the Sparlin cup in 1954.

The Virginia association has purchased an excellent permanent exhibit which is being displayed at many conventions of all kinds. This stresses the fact that the local agent sells "insurance designed to fit your needs." The Virginia association also has conducted an extensive campaign tied in with that of National Board. Mr. Moffatt said he believes more associations could use this tie-in material successfully.

The Florida association has a good

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R. O. Young, Cleveland manager of North America; Mrs. Young; R. H. Petefish, assistant vice-president of North America, at NAIA meeting.

PR program including preparation and publication of booklets dealing with insurance matters applicable to particular groups. The first will be "Insurance for School Boards."

The committee particularly commended the New Hampshire association on its success in preparing and having published in one of the state's most widely read newspapers an editorial entitled "Cheap Insurance—May Be More Expensive." Nearly 100,000 reprints of this editorial have reached the buying public.

Colorado Insurers Assn. is conducting an extensive year long campaign for which it has budgeted \$20,000. The campaign is running in 19 daily and eight weekly newspapers covering the entire state, with a combined circulation of over 540,000. The ads are designed not to sell insurance as such but to sell the advantages of dealing with an insurer who operates under the agency system. The association also is using many tie-ins such as bumper emblems, window decals, policy stickers, etc. It is sponsoring an insurance chair at one of the Colorado universities at a cost of \$3,500 annually.

The Connecticut association is conducting a year-long advertising campaign based on the slogan "You're a

Neighbor Not a Number to Your Home Town Agent." This is primarily a newspaper campaign with tie-ins. It was formulated with the assistance of a committee of company advertising men. The material for the campaign was prepared by the state association at a cost of \$3,000 and the material was then presented to the local board, which arranged for the newspaper space. Over 95% of the agency members of the association are participating with actual expenditures up to July 15 of more than \$40,000 using 38 newspapers covering 51 cities and towns. Up to the present the agents have used more than 50,000 envelope stuffers and stickers as tie-in material. The campaign has already resulted in a great deal of favorable public comment and at least one direct writing company has changed its advertising to state that their agents also live in the home town. The Connecticut association has also had an active speakers bureau and engaged in other public relations activities.

The committee hopes that as one result of these contests a cooperative program may be developed in which all state associations and all capital stock companies doing business under the agency system may participate with a slogan such as that of the Connecticut association or an identifying symbol such as "Pete" of the Hawaii board used to tie in all of the participants as part of one great business-wide endeavor.

Lindsay Fisher Goes With Employers Re at Chicago

Lindsay Fisher has joined Employers Reinsurance at Chicago where his duties will involve general reinsurance and excess coverages.

Mr. Fisher formerly was with the Kemper companies, starting in 1948 in the Buffalo claim department and later

serving in the home office claims and legal departments. He conducted courses in the company's training school and also taught insurance courses at Northwestern University and Illinois Tech. He is a CPCU and a lawyer.

Name Sibley American Mutual Liability V-P

Lawrence M. Sibley, recently named manager of the underwriting department of American Mutual Liability, has been elected a vice-president. He entered insurance in 1924 and joined American Mutual in 1937 as district underwriting manager in Philadelphia. Subsequently he transferred to New York city as eastern underwriting manager, and to Boston as field underwriting manager.

Surety Assn. of Houston Names Gregory President

Surety Assn. of Houston has elected T. M. Gregory, American Surety, as president. The other officers are J. R. Murphy, Aetna Fire group, vice-president, and W. H. Freeman, Travelers, secretary-treasurer. John Rougagnac, U. S. F. & G., and W. S. Price, Fidelity & Deposit, were named to the executive committee along with Jack Goetz, American Automobile, the retiring president. The new officers will be installed at the November meeting.

Va. Approves Auto Medical Payments

The new automobile medical payments endorsement, which combines medical payments with extended medical payments, as promulgated by National Bureau, has been approved in Virginia, effective Nov. 1.

The Oak Ridge, Tenn., local agencies of C. C. Brill, Herron & Connell, and Crum-Williams have taken offices in the new shopping center there, which is the first commercial property in the town not owned by AEC.

Leggett Says U. S. Prodding Helps Solve Problems

(CONTINUED FROM PAGE 13)

expressed by their state legislatures, brought into being.

"I can think of no other possible advantage of federal regulation over state regulation."

Mr. Leggett pointed out that under the federal system, the individual citizen, the policyholder, would find it much more difficult to personally bring his problem to the attention of the chief regulatory official. Under state supervision, the office of the commissioner, superintendent or director is always open to the public. The policyholder can go into that office, be heard and, if possible, be helped. The distances involved make it impossible for him to go to Washington, or some district office, to present his problem and obtain the help he needs.

Also, federal agencies tend to become impersonal. Removed geographically and by administrative organization from close contact with the public to be served, response to the wishes and needs of the citizen is sometimes sluggish. State insurance departments on the other hand are close to the people they serve geographically, and whether the state regulatory official is elected or appointed he is peculiarly subject to the will of the citizens of his state.

Round Out Iowa Board

DES MOINES—Three more district directors have been elected, rounding out the 12 district directors for Iowa Assn. of Insurance Agents. The directors were named in elections held in each of the 12 districts instead of being appointed by the board. The additional directors elected are M. W. Jacobsen of Clinton, district 5, Bruce W. Ouren of Harlan, district 8, and Harold Froehner of Muscatine, 12.

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What then? Do something about it—before it puts your business flat on its back!

For example, spontaneous ignition starts many preventable fires. The best way to deal with the hazard is to provide approved waste cans for the safe disposal of oily rags and waste; they reduce the



possibility of "accidental" ignition of waste or trash by a carelessly tossed match or cigarette.

Periodic inspections will alert owners and supervisors of property to obvious hazards. Good fire prevention practice is: reduce or remove the hazard. *Don't give fire a place to start!*

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Mass. Bonding to Start in Fire Lines

Massachusetts Bonding has entered fire business and named Earl B. Van Vorst vice-president in charge of that line. He will be assisted by Donald R. Sands. Mr. Van Vorst has been with Royal-Liverpool group for 20 years and agency secretary since 1948. Mr. Sands has been with Fireman's Fund in Boston since 1948. Initially, the company will limit its writing to the homeowners policies of Multiple Peril Insurance Rating Organization in New York, New Jersey, Pennsylvania, Delaware, Maine, Massachusetts, Rhode Island and Connecticut.

GAB Names Semple in S. C.

General Adjustment Bureau has named Paul O. Semple resident adjuster at Camden, S. C., as an extension of its operation at Columbia. He will handle losses in Fairfield and Kershaw counties. Mr. Semple joined GAB at Columbia in 1948.

Illinois WC Rates Are Increased 4.9%

An increase of 4.9% over-all in workmen's compensation rates has been approved in Illinois effective Oct. 6. This follows a 9.9% increase in benefits as enacted by the last legislature, indicating that without the benefit change WC rates would have been reduced somewhat. The 4.9% increase is effective on new and renewal business, and policies not expiring until after Oct. 6 will get a rate adjustment incorporating the 4.9% increase as of Nov. 1 until expiration.

Fla. Commission Opens Office

Florida's insurance commission has opened a new district office at Gainesville. Commissioner Larson attended the opening.

The George C. Goetz agency at Milwaukee has been renamed the Goetz-Haessler agency.



John R. Lange, left, who retired recently as Wisconsin insurance commissioner, pictured at a party in his honor given by members of the Wisconsin department staff. With Mr. Lange are Orville Ware, legislative counsel of Northwestern Mutual Life; Harold H. Persons, Wisconsin assistant attorney general, and Irvin J. Maurer, treasurer of Farmers Mutual Automobile of Madison. More than 125 leaders of Wisconsin insurance attended the dinner at Madison honoring Mr. Lange. Photograph by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters.



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Neumann Says Keep Guard Up on Economy Auto Plans

(CONTINUED FROM PAGE 23)

developments in other businesses, even though seemingly unrelated to the insurance business, and the prompt furnishing of such information and its implications by national agent and company organizations, is another suggestion.

The final proposal is a study of the selling and promotional activities of the successful life insurers.

Here, Mr. Neumann said, if the other fellow has a good thing, "and it's adaptable to our problems, let's use it." However, life agents are predominantly captive agents. The agency system considers this a foreign concept. Also, a survey by an entity in life insurance proves conclusively the economies of selling their products through the American agency system, as against the captive agent method. No unions to worry about either. Dun & Bradstreet reports that the agency system is 6th from the lowest, in a list of 53 typical trades, in average cost of retail distribution. If the attraction of young men to enter the business is the concern thinking executives profess, they should not drive them further out of the business by making of its sales and service force a non-profit organization.

He noted that the cure-all offerers are not those upon whom agents have learned to rely over the years as the traditional writers of the business. They are newcomers in the automobile field. They really seek to raid not direct-writing competition as much as that already on agents' books.

J. O. Wood to Presidency of Okla. Mutual Agents

James O. Wood, Chickasha, was named 1956 president of Oklahoma Assn. of Mutual Insurance Agents to succeed Hugh E. Wyatt who on Jan. 1 will become chairman of the board.

Other officers elected are Glen Hickman, Ponca City, 1st vice-president; E. J. Ellis Jr., Oklahoma City, 2nd vice-president, and Harold Clark, Oklahoma City, secretary-treasurer.

Registration at the fall meeting in Oklahoma City was 85.

Liberty Mutual Backs Paraplegic Hospital

An industrial rehabilitation department and neurosurgical service for paraplegics has been opened at Haynes Memorial department of Massachusetts Memorial hospitals in Brookline, Mass., sponsored by Liberty Mutual, Massachusetts Memorial hospitals and their affiliate medical school at Boston university. Liberty Mutual provided the funds to rebuild and re-equip the east wing of the hospital.

Myhre to National Group

S. A. Myhre has been appointed casualty supervisor in the Minnesota field for National of Hartford group. He has

been with other companies, and in Minnesota will have headquarters at Minneapolis. He will be associated with State Agents J. J. Mulligan and I. O. Steen, and Special Agents F. E. Bringham, W. Raginski and L. S. Gut.

Mutual Service Cuts Auto Rates, Modernizes, Liberalizes Policy

Mutual Service companies of St. Paul have reduced rates and brought out a broadened automobile policy. The rate reductions range from 12 to 19%, except on drivers under 25, some of whom receive increases.

The new policy offers the standard coverages plus a number of additions, and is designed for easy reading. The number of words has been cut about 28%.

Some of the extra features are: \$100 theft insurance on clothes stolen from a locked car; \$100 fire insurance on personal effects in the car; an increase of 25% in minimum medical payments coverage (from \$500 to \$625); an increase in PDL coverage.

A 25% premium discount is allowed on each additional car in the family if only a man and wife drive, and a 15% discount for youthful drivers who have completed a driver-training course. Premiums can be paid one-third down and the balance in 60 days.

Insurer Settles Ship Loss Suit for \$65,000

A payment of \$65,000 has been made by Saskatchewan Guarantee & Fidelity, the Canadian insurer, in settlement of a \$80,000 suit brought against it by Israel Jacobson and Earl Crockett for the loss of their Portland dragger Clara & Louise. The ship sank in 1954 off Portsmouth, N. H., near where the U. S. submarine Squalus sank. The settlement has been approved by Judge Clifford in a decree filed in U. S. district court at Portland, Me. Several pre-trial conferences were held before the settlement was made.

Zurich to Take New Quarters in New York

Zurich and American Guarantee will move their eastern department office in New York to 156 William street early in December. A long-term lease has been signed for space in the William Street building, a new, air-conditioned structure. A 7-story addition, expanding the building to include 158 through 162 William street, will be erected to complete the space leased by Zurich. The lease covers floors 3 through 7 of both the original building and the addition.

The building at 55 John street, purchased by Zurich in 1948, has been sold.

Cal. Buyers Slate Seminar

Northern California Chapter of National Insurance Buyers Assn. will conduct a seminar on public liability insurance at San Francisco, Oct. 26.

H. Lang Hilleary of Standard Oil of California will be discussion leader, and the associate discussion leader will be Charles Robinson, insurance consultant.

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The mistaken department store detective *thought* he had a shoplifter . . . but the customer, and his lawyer, thought they had a case of false arrest. The "bird in hand" sang a \$10,000 song — and collected.

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U.S.F.&G. dedicated its new building at Meridian, Miss., with a two-day agents' educational meeting sponsored by F. W. Williams state agency, and an open house. Home office officials at the meeting were Hugh D. Combs, senior executive vice-president; Frank F. Dorsey and William E. Pullen, executive vice-presidents; C. B. Gamble, vice-president and agency director, and Herbert R. Preston, vice-president and casualty director.



Bennett & Edwards Opening Stupendous

About 6,000 visited the Bennett & Edwards agency's new building in Kingsport, Tenn., during its recent spectacular open house.

More than 50 insurance executives from over the country, including Tennessee Commissioner Northington, attended. This is Kingsport's most modern office building. C. P. Edwards Jr., founder of the agency, presented a specially designed souvenir key to the agency building to Commissioner Northington.

Among the insurers represented at the opening were: John Hancock Mutual Life, William H. Ellis, Wendel Wren, and Clarence W. Wyatt; Carolina Casualty, George Gornto and Mabel Vanderford; Markel Service, Stanley Markel; New Hampshire Fire, Edward P. Turner and G. Wesley Mantz; North America, W. E. Bethshares, Grady C. Goodroe, W. L. Tickle, Richard Light and Frank G. Harrington Jr.; North British, W. L. Nolen, H. V. Tisdale, Gilbert F. Jones and James Crawford; Prudential, R. C. Govan, Burl Davis, Max Sharp and L. K. Edge; Royal Exchange, M. M. Boedeker and Mike Bonner; Royal-Liverpool, Stanley Fiege and H. D. Forrester; Seaboard Surety, M. H. Crighton Jr. and F. E. Schiele; St. Paul, H. R. Trickey Jr., W. B. Hershe, Milt Price and E. R. Timberg; U.S.F. & G., W. T. Parish, C. B. Gamble, W. E. Pullen and Hugh D. Combs; Yorkshire, Edward S. Jackson and Charles Voohris; Henry McMillan Co., Robert M. McMillan; First American National Bank of Nashville, David H. Crockett; John B. Bailey Co., Knoxville, John B. Bailey; Tennessee Inspection Bureau, John F. Lee, C. G. Miller and R. E. Kelch; Factory Insurance Assn., J. A. Davidson; Hugh N. Lewis of Atlanta; Bible Insurance Agency, Morristown, Tenn., R. H. Bible, and Hamilton National Bank of Knoxville, H. K. Bowen.

C. of C. Insurance Group Meeting

The U. S. Chamber of Commerce insurance committee will meet in Washington, D.C., Nov. 17.

Insurance Women of Pittsburgh will hold a "white elephant" sale Oct. 18 in the Hotel William Penn.

Mass. Demerit Law Faces Court Test

The constitutionality of the demerit system of Massachusetts which assesses points against motorists found guilty of highway violations is being questioned in a suit brought by G. A. Winch, a painting contractor of Newton, against R. F. King, registrar of motor vehicles and Commissioner Humphreys of the insurance department.

The demerit system figures in the increased rate for compulsory automobile liability cover beginning Jan. 1, when persons will be required to pay 6% per point surcharges for a four year period. The maximum of such surcharges is \$150.

Mr. Winch said he was assessed three points because of what he termed a minor accident in June. He said a piece of lumber came loose from a load on his truck and skinned the knuckles of W. H. Levenson. He said Mr. Levenson did not require first aid or medical attention. Under the law, he pointed out, he will have to pay the surcharge not only on his truck but on the coverage for two passenger cars he owns.

Coastal Wind, EC Rates in Texas to Be Cut

AUSTIN—Wind and EC rates in the Texas coastal territory will be reduced 10 to 15% effective Nov. 1. The Texas department has estimated the reductions will amount to about \$4 million.

On dwellings, the rates will be down 20%, on farm property 25%, and other type of property 10%. The new rates are applicable to risks in the first and second tiers of counties along the Gulf coast.

This will be the third rate reduction in the seacoast area in the last two years. Rates were reduced 8% in March of 1954 and 10% in January of 1955.

Lederman Promoted

William Lederman has been promoted to secretary of the U. S. branches of Century and Pacific Coast Fire. He joined the companies in 1926, was appointed assistant accountant in 1946 and assistant secretary in 1953.

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Fire Prevention Material Distribution at Peak

(CONTINUED FROM PAGE 2)
and Fire Safety" pamphlets were put into circulation some 50,000 more than a year ago. This pamphlet explains farm fire hazards and tells how to correct them. Also distributed were 200,000 farm fire safety inspection blanks. "Stop Fires, Save Jobs," which outlines rules and suggestions for fire safety on the job, this year, like last, proved to be much in demand. Another publication that has proved popular is "Fire Safety Suggestions for Babysitters."

National Board reported that up to the beginning of Fire Prevention Week it had distributed 1 million copies of its latest poster, "Every Fire Hurts You!" Made up in two sizes, including a large one for display in shop windows, business firms, theater lobbies, etc., the poster shows a mother holding a baby in her arms with a home destroyed by fire in the background.

Also distributed without charge were 200 film trailers for use on TV and in theaters. National Board has 25 current films, of which there are an average of 65 prints of each, and the demand for them this year has surpassed all other years. About 1,000 requests for films have already been received for October, compared to about 837 requests last year.

This year's Fire Prevention Week campaign has also been aided by the editorial support of newspapers across the country.

The first Fire Prevention Week was proclaimed by President Wilson in 1919. Before that, however, many communities conducted a special clean-up campaign one day a year and the occasion soon became referred to as Fire Prevention Day. Most communities observed the day on Oct. 9, the anniversary of the great Chicago fire of 1871. In 1911, nine years before President Wilson's proclamation, 22 governors called for statewide observance of Fire Prevention Day.

GRAND RAPIDS, MICH.—Perhaps one of the most novel fire prevention efforts this week is that of an aerial slogan, dangling from a huge kite here.

Local firemen constructed a kite which will carry a 20-foot tail composed of block letters spelling out "Prevent Fires." The kite will be flown at an 800 foot level unless adverse weather prevails throughout the week. The city's program for the week also includes staging of institutes on four phases of fire prevention, marked by lectures, movies and luncheons, and a climactic "circus" Oct. 15, with stunts, exhibitions, and a water fight between two engine house crews.

The Long Island, N. Y., field office of American has been moved to larger quarters at 48 East Old Country road, Mineola.



S. E. Wherry, San Francisco, vice-president of Home; R. M. Byrne, Omaha; H. A. Payne, New York, vice-president Home, at NAIA meeting.

Continental Casualty Promotes 3 to Top Executive Positions

Continental Casualty has promoted Robert J. Glasgow and Vincent S. McKerrow to vice-presidents and named Frank V. McCullough assistant to the president.



F. V. McCullough

President Roy Tuchbreiter said the executive appointments were necessitated by heavier management responsibilities as a result of Continental's premium increase, more than \$23 million over the corresponding period last year at the end of August.

Mr. Glasgow, who has been with the company for 25 years, developed



R. J. Glasgow



V. S. McKerrow

Continental's aviation and travel accident portfolio to international prominence. As assistant secretary in 1944, he was named superintendent of the aviation division and held that post until 1952 when he was appointed executive assistant vice-president. In his new position, he will continue to devote his time exclusively to A&H activities of Continental.

Mr. McKerrow, a native of London, joined Continental in 1954 as assistant secretary and superintendent of reinsurance. He started in insurance 30 years ago as an underwriting member of Lloyds London. He was an executive of Griffiths, Tate, Ltd., for 15 years, was named a board member in 1945 and in 1949 came to America to initiate and develop their U. S. operations from Chicago.

Mr. McCullough joined Continental in 1945 and became west coast supervisor for two divisions in 1948. He was named superintendent of the home office special risks division in 1950 and assistant vice-president in 1954. His newly-created position includes staff

and administrative duties with emphasis on coordination and communications.

Behlmer Elected V-P of Hartford Fire

Sidney G. Behlmer has been elected vice-president and secretary of Hartford Fire. He formerly was an assistant manager of the western department in Chicago. He will take up his new duties at the home office about Nov. 1.

His entire business career has been spent with Hartford Fire's western de-

partment. He joined the company in Chicago in 1926 as an engineer, later became superintendent of production and in 1945 was placed in charge of the special hazard department. In 1947 he became assistant manager of the western department. In addition to other executive duties he has supervised the company's business in Indiana, Minnesota, North and South Dakota and West Virginia.

Middle Tennessee Adjustment Co. of Nashville has opened an office at Clarksville with McCauley Gray as manager.

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Contact in confidence—Our employees know of this ad. Write Box H-76, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; Interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.
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Casualty fieldman for Western Ohio. Excellent opportunity to become associated with a progressive multiple line stock casualty company. All replies will be confidential. Write:

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We are an old established local and general agency. We are looking for a man between 28 and 38 who has had a predominant casualty insurance background and has had a successful record of production. We are looking for a better than average man who is anxious to become associated with a progressive stock company agency. Write Box H-75, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving full experience, details and information concerning salary.

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We need a top-flight, experienced insurance executive to generally supervise home office. Actuarial and Department experience preferred. This is a fine permanent position for a man who is desirous of bettering his standards. Respond with full details of age, family, experience and training. We will make the compensation fit the man. All correspondence will be strictly confidential. Box No. H-73, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Chicago office of a Mutual Fire and Casualty company requires experienced man to handle underwriting of casualty lines. Salary open. Good advancement possibilities for right man. Write giving details of experience, age, present salary and expected salary to Box H-51, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SALES DIRECTOR

This advertisement may be the turning point in your life. Read it carefully out loud. If it sounds like it was written especially for you, answer. Otherwise, throw it aside.

We need a man with imagination, personal drive, sales know-how, and a sound knowledge of human relations who can lead and train special and local agents in effectively using the extra-ordinary sales tools of a well established, expanding top-rated, Midwest multiple line mutual company. This is an exceptional opportunity for the man who can fill the bill. He may be in top level position now but more likely is a younger, second man facing a road block. Or he may be stranded in a branch office. He will be under 45, happily married, able to "fit in" with a crowd that's going places. Still willing to learn and grow—and able to recognize an outstanding opportunity when he sees it.

Write giving, in confidence, the information you would want if you were hiring an Assistant. You will receive an answer. Address Box H-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Mature young man desires future possibility of stock interest or partnership. Company and agency experience. Background in servicing and soliciting commercial and personal accounts as well as managerial responsibilities. Production qualifications. College graduate. Korean veteran. Chicago or Middle West preferable but will go elsewhere if right opportunity exists. Address Box H-64, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Multiple line stock company operating in all states west of the Mississippi. Has openings for energetic, capable special agents in South Dakota, North Dakota, Texas, and Utah. Field personnel will be increased in several other states. Splendid opportunity to join fast growing company. If available, contact:

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Cimmaron, Kansas

SPECIAL AGENTS

Excellent opportunities for young men to supervise and select casualty insurance agents in southeastern and southwestern Wisconsin territories. Excellent income potential. Car furnished. Mutual Auto Ins. Co. of Wis. 809 North 8th St., Sheboygan, Wis.

Zone 4 Has Full Agenda, But No Action Is Taken

(CONTINUED FROM PAGE 21)

J. E. Kennedy of Wisconsin, presided. The item on the breakdown of homeowners' policies and other broad form policies to determine the amount to be used for the fire marshal and fire department taxes was removed from the agenda. It had been suggested that 30% of the premium be used for this determination.

Merchandise block policies and their relation to inland marine, multiple line, fire or casualty classifications was retained on the agenda for the next zone meeting.

Also removed was the question of filing by reference which may be made by independent insurers or rating organizations. The question here was whether a bureau or an independent company could refer to a filing of another bureau for the purpose of making a deviation.

The question of whether to consider plan A as a deviation of the annual installment premium payment plan was removed from the agenda.

Whether 1% for catastrophe is an adequate loading was talked over to some extent under the item on the effect of catastrophe wind and EC coverage losses on rates by territory and by classification of occupancy, but it was decided to hold this over until industry studies of the question are completed.

C. E. Vursell of Illinois was scheduled to be in charge of the meeting of casualty raters, but Mr. Vursell has left the department and is now with the U. S. Department of Commerce. His place was taken by L. T. Coddington.

WANTED

Upper Midwest independent adjusting firm has opening for casualty adjuster with experience in all liability lines. Write Box H-70, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., with summary of background, experience, salary requirement. All replies confidential.

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WANTED

INSURANCE MANAGER for Southwest Missouri Realtor's Insurance Dept. Must be experienced in Casualty, Marine, Fire (including coverages for commercial risks) and Bonds. Living conditions ideal. Write giving full personal and job history, also age and salary desired. Box H-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED—SOUTH WEST

Casualty man, some Bond and Fire experience desires to return to Southwestern territory. Five years experience in Oklahoma and Texas branches, now employed as manager for large multiple line company. Will consider underwriting or production. Address Box H-71, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ton, who is now acting chief deputy in charge of rating. All the matters at this meeting were for staff members only and concerned such questions as whether to consider automobile total disability and death coverage as A&H or part of the auto policy, the question of how many states have licensed Nationwide, whether to consider a company's experience in other states when passing upon the filing of deviated rates, and keeping of up-to-date manuals on each company.

Ferbend Made Assistant Manager at Chicago

Robert Ferbend has been appointed assistant manager of the western department of London & Lancashire Indemnity in Chicago.

Mr. Ferbend joined the company at Chicago in 1938 after four years of claims experience there with another company. He was advanced to claims attorney in 1950.

Insured Hull Loss May Run \$100,000

The value of the hull of Great Lakes Carbon Corporation's A-26 Douglas industrial aid plane that crashed near Union City, Okla., the night of Oct. 3, is valued at about \$100,000 and is insured with Associated Aviation Underwriters.

Propose BI Review Board

A bill to create, in the department of insurance, a five-man board to review all personal injury automobile damage cases has been introduced in the Massachusetts house. The board, under the bill, would be composed of a lawyer, a doctor and three public representatives, to be appointed by the governor. No claim would be settled under the provisions of the motor vehicles liability law until the claim had been recommended by the board.

Another bill filed calls for an investigation by a special commission into the reasons for increased rates in compulsory liability cover.

CASUALTY ACTUARY

Under 35 with six years experience as Actuary for independent, multiple line company in re-making, policy and endorsement drafting, expense analysis, and designing informative, economical reports. Hold M.S. and F.C.A.S. degrees. Excellent references. Sound reason for seeking change. Address Box H-68, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER WANTED

Michigan Branch office of a Multiple writing company servicing all Michigan business needs young man, 23-35, with some experience or will train. Preferably married and must live in Lansing. In reply, state experience and salary desired. Address Box H-69, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE FIELD MAN

Young man, 2 years company experience (Casualty); 5 1/2 agency production experience. CPCU work begun. Casualty or Fire field work desired in Missouri, Kansas or Oklahoma. Address H-65, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER WANTED

Age 30-40, General Agency Experience preferred. Also some knowledge of Marine lines. Good opportunity. Salary commensurate with ability. Our employees know of this ad. Reply in detail. Address Box H-62, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELDMAN

Prominent Multiple Line Stock Company has opening to travel Indiana. Salary and expense. State experience, age and background to #H-43, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Benson Says FCIC Should Quit If Insurers Move In

(CONTINUED FROM PAGE 1)

mix relief with a sound insurance program. The experience of crop insurance since its initial development started in 1939 would be far different if this sound policy had been followed from the beginning.

"We hope to expand into additional counties in good producing areas and to insure more crops in many of the counties where we are now insuring only one. As we move in this direction, we will spread the risk more widely."

Ralph R. Botte, agricultural economist in the Department of Agriculture, speaking on "Signs of the Time in the Farm Insurance Field" at the afternoon session, expressed the view that in the years ahead there will be a gradual decline in the specialty companies in farm insurance among the mutuals with many of the companies also entering the urban insurance field in competition with the commercial companies. With the number of small farms declining there will be fewer individual farm policies written but the average per policy will be more. "This situation makes higher acceptance limits necessary," he continued. "and it makes reinsurance more necessary for the small mutual company."

Other speakers included Superintendent Leggett of Missouri, president of National Assn. of Insurance Commissioners; John C. Stapel, Columbia, Mo., president of National Association of Mutual Insurance Companies; Warren A. King, Insurance manager of Life magazine; Burleigh B. Gardner, executive director Social Research, Inc., Chicago, on "Mass Motivation Research," and Richard D. Crisp, marketing research consultant, Chicago, on "Research in Marketing."

STILL AHEAD

Fire and Casualty Stocks Continue Off with Market

The stock market is approximately 20% off from the year's high, following the loss of values earlier this week, but it had not gone below early June averages by midweek and values were

New York's UM Cover Attracts Attention

(CONTINUED FROM PAGE 2)

stead of 30 and the time for agreeing on an umpire is 30 days instead of 15. Also, the UM endorsement has this separate paragraph in the appraisal section: "The company shall not be held to have waived any of its rights by any act relating to appraisal."

Thus the Mutual Bureau endorsement takes the direct coverage line, with the insurance offered resembling accident or medical payments, and the resolving of difference tracking the standard appraisal clause in the fire policy.

Observers point out that, on the basis of New York decisions, arbitration is an enforceable agreement in that state but that appraisal is not clearly so. One objective of those behind the F&C cover was to get a coverage that would keep these claims out of court.

The difference in price, with the F&C cover at \$3 and \$2.50 and Mutual Bureau cover at \$4, also has raised some questions with the newspapers and public.

Stock companies and groups writing the new UM coverage include Aetna Casualty, Agricultural, Allstate, America Fore, American, American Casualty, American Surety, Boston, Buffalo, Century group, Citizens Casualty, Commercial Union-Ocean group, Crum & Forster, Employers Liability, Firemans of Newark, Founders, General Fire & Casualty, Glens Falls, Government Employees, Great American, Hartford Fire group, London & Lancashire Indemnity, Massachusetts Bonding, National Union Indemnity, New Amsterdam Casualty, New York Underwriters, North America, Northern of New York, Ohio Farmers Indemnity, Pearl, Peerless Casualty, Phoenix of Hartford, Phoenix of London, Providence Washington, Royal Exchange, Royal-Liverpool, St. Paul-Mercury Indemnity, Security-Connecticut, Springfield, Standard Accident, Sun, Trans-America, Travelers, Travelers Indemnity, U. S. Casualty, Yorkshire, Zurich. Two mutuals, Automobile Mutual of Providence and Nationwide, write the F&C cover.

Companies or groups writing the Mutual Bureau UM include Allied American Mutual Fire, American Hardware, American Mutual Liability, Atlantic Mutual, Cosmopolitan Mutual Casualty, Empire Mutual, Employers ty, Ideal Mutual, Interboro Mutual Indemnity, General Mutual, Grain Dealers Mutual, Hardware Mutual Casualty, Ideal Mutual, Interboro Mutual Indemnity, Jamestown Mutual, Kemper, Liberty Mutual, Lumber Mutual Fire, Merchants Mutual Casualty, Michigan Mutual Liability, New York Mutual Casualty, New York Printers & Bookbinders Mutual, Public Service Mutual, Security Mutual Casualty, Security Mutual Liability and Utica Mutual.

still substantially greater than last Dec. 31.

Consequently, experts in the market who also know the fire and casualty insurance field well do not believe the position of fire and casualty insurers is under any appreciable pressure, even though those insurers customarily maintain about 75% of policyholders surplus in equities. The insurers have piled up considerable earnings for the year so far, and at present policyholders surplus is way up from last year end.

The decline in bid prices for fire and casualty stocks has been greater than the average decline in the stock market, but this is always true. Over-the-counter stocks do worse at a time of market break because these are not specialists maintaining the market as

is the case on the stock exchange. There are exceptions, two or three stocks are off more than others, but this is due to particular selling conditions in those few stocks. The three stocks listed on the exchange, North America and two America Fore companies, Fidelity-Phenix and Continental have stood up better than those traded over the counter. Lincoln National Life has stood up because there is talk of a three for one split.

Upon a market break buyers are looking for yield and fire-casualty equities are very generally regarded as low yield securities.

The experts look for a continuation in the market break till year end, when earnings, which continue to be good, and increased dividends are expected to stimulate wider buying activity.

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AT NAIA LOS ANGELES CONVENTION:

Miss Lucille Glisson, Covington, Ky.; R.D. Billings, San Francisco, vice-president Great American Pacific coast department; W. R. Ewald, New York, vice-president Great American; Mrs. E. T. Lamkin, Monroe, La.

At United Pacific headquarters during NAIA convention in Los Angeles: H. L. Baird, president; Mrs. C. H. Reifensrath, Redwood City, Cal.; Mrs. Baird; W. E. Burch, Spokane, president Washington association, and G. C. Appleton of Fresno.



Top—Albert H. Wood of Western Insurance Information Service, Los Angeles; R. A. McGuire, executive vice-president of Pacific Employers; Mrs. Peggy Sullivan, executive assistant of Western Insurance Information Service, and Victor Montgomery, president of Pacific Employers, at the NAIA convention in Los Angeles.

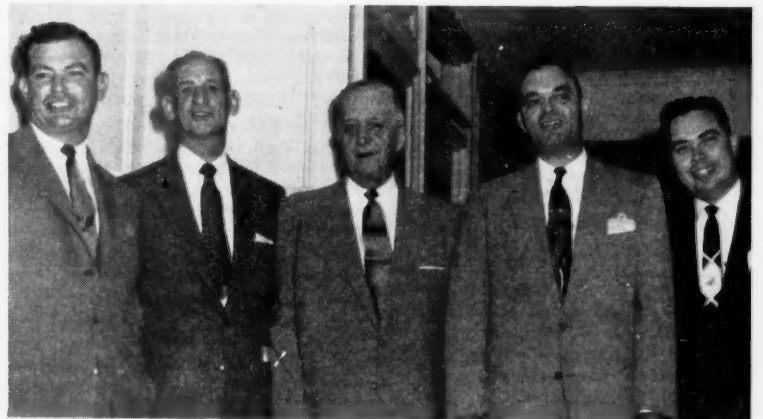
Center—At Argonaut headquarters in Los Angeles during NAIA convention: G. B. Hill, San Francisco; B. A. Woolery, Los Angeles manager; J. P. Taheny, executive vice-president, and R. S. Milligan, assistant to the president.

Bottom—At Haidinger-Hayes headquarters at the NAIA convention: J. M. Hayes, vice-president; Mrs. Hayes; V. M. Haidinger, president, and Mrs. Haidinger.



Leaders of Midwest Territorial Conference snapped at Los Angeles: R. M. Byrne, Omaha, vice-chairman; H. J. Gescheidler Jr., Hammond, Ind., vice-chairman; G. A. Timm, Kenosha, Wis., secretary; L. D. Engberg, St. Paul, chairman; E. L. Lederer, Chicago, chairman conference committee.

Andrew J. Wheeler, west coast manager of National Underwriter Co., San Francisco; Mrs. M. B. Rottmann, Los Angeles branch secretary of Reinsurance Underwriters of San Francisco, and Otis Clark, president of Reinsurance Underwriters, shown in the headquarters suite of Underwriters during the convention of NAIA in Los Angeles.



At Traders & General headquarters at the NAIA convention: Paul W. Roy Jr., Los Angeles manager; L. Erston Smith, vice-president; Edward C. Hilman, president; P. R. Reid, vice-president, and W. S. McDermitt, San Francisco, manager.

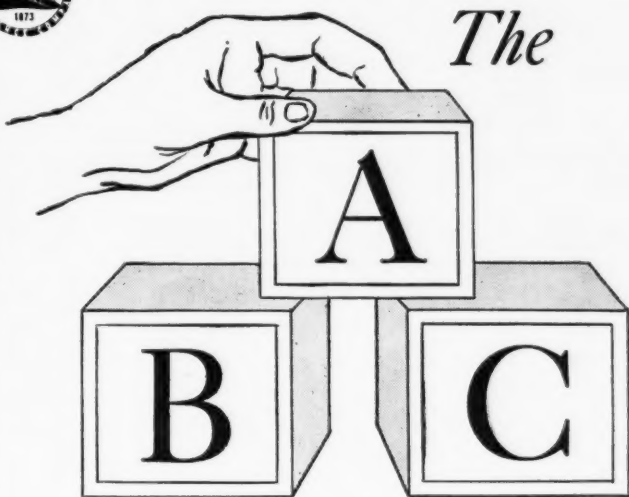


C. M. Marshall, San Francisco, vice-president and Pacific coast manager Aetna Fire; H. M. Mountain, Hartford, executive vice-president Aetna Fire; H. B. Kiefer, Hartford, vice-president of Aetna Fire in charge of casualty.



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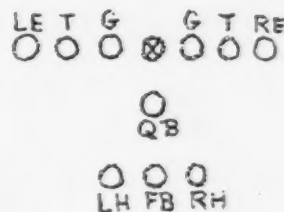
OLD COLONY INSURANCE COMPANY



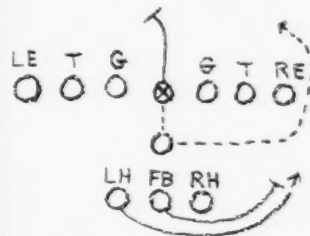
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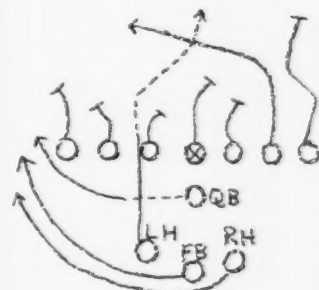
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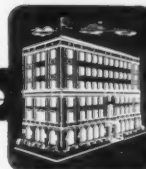


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